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ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2151

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EAST EUROPE REPORT

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POLAND-CEMA COOPERATION IN DEVELOPMENT OF LIGHT INDUSTRY NOTED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 1, 1981
pp 11-13

[Article by Wladyslaw Jablonski, minister of light industry of the Polish People's Republic: "Poland's Cooperation with Other CEMA Countries in the Development of Light Industry"]

[Text] Light industry has played an important role in the Polish economy for a long time. The roots of rich tradition, particularly in textile production, date back to our country's earliest history. During the period of the socialist Polish State's existence, strong production potential has been established and has given light industry a chance to take a leading place among world producers of the basic textiles, clothing and footwear. Polish light industry also holds a sizable share of the production potential of the socialist community. Polish light industry produces around 10 percent of the various types of fabrics manufactured in the CEMA countries, around 7 percent of the hosiery, over 16 percent of the knitted outerwear, around 15 percent of the underwear, approximately 10 percent of the sewn goods, 11 percent of the footwear and 14 percent of the soft leather. It should be noted, however, that Polish light industry is quite dependent on imports of many raw materials, semimanufactured items, dyes and chemicals, as well as machinery and equipment. This is particularly true of raw materials not produced in Poland--cotton and jute--or produced in insufficient quantities--wool and leather. In addition, significant quantities of yarn, cotton and woolen fabrics and chemical raw materials and semimanufactured goods are imported.

These factors influence Poland's vital interest in the extensive development of international commercial exchange and economic cooperation, particularly with the fraternal CEMA countries. For these reasons, cooperation with the countries of the socialist community occupies an important place in the plans for the development of light industry. It is multifaceted and encompasses almost all of the problems connected with the development of this branch--that is, questions of capital investment, reciprocal deliveries, production specialization and cooperation, scientific and technical collaboration and the extensive exchange of experience and information.

Cooperation with the fraternal countries is conducted on a bilateral and multilateral basis within the framework of the Standing CEMA Commission on Light Industry. One of the most important forms of this cooperation consists in consultative meetings for the coordination of five-year plans, during which agreements are reached on

steps toward integration and on reciprocal delivery volumes, which are subsequently recorded in the appropriate trade agreements.

Polish light industry is constantly increasing its exports in commodity turnover with the CEMA countries. In recent years, this turnover has accounted for more than 60 percent of the total exports of Polish light industry, and the rapid growth of shipments deserves special mention. Between 1976 and 1980 there was an increase of almost 40 percent in these shipments, consisting mainly of clothing, underwear, hosiery, footwear and fabric.

The constant growth of commodity turnover with the CEMA countries is establishing tangible prerequisites for specialization and cooperation. This is not a simple matter, particularly in view of light industry's distinctive features, such as the need to develop the slow-series production of items and, what is more, in the maximum variety of these items, and the need to take note of differences in tastes and habits in various countries, frequent changes in fashion, climatic differences and so forth. These factors considerably restrict the sphere of specialization and cooperation in this branch of industry to a much greater extent than in others. In recent years, however, we have attained many positive results. The sphere of industrial specialization and cooperation, developed in bilateral Polish-Soviet relations, deserves special mention. In accordance with a decree of the 21st Session of the Polish-Soviet Commission on Economic and Technological Cooperation, the chief guidelines of which were recently mapped out by both sides up to the year 1990, the two countries will cooperate in the following areas:

Programs for the division of production and reciprocal shipments of technical items, as well as the exchange of experience in improving the production of these items;

Equipment design and deliveries;

The mutual exchange of semimanufactured goods requiring further processing;

The elevation of technical production standards and the improvement of product quality;

Scientific and technical cooperation in 13 projects;

Cooperation in the sphere of licenses and decisions pertaining to "know-how."

As an example, we could cite the work being conducted to organize the cooperative production of seven types of technological lines for the large-series tailoring of outerwear: men's coats, clothing and shirts, women's coats and so forth. For this purpose, Polish and Soviet specialists consulted with one another to clarify the possibility of deliveries of machines and equipment for these technological lines.

A cooperative agreement on the processing of linen cloth in Poland for the CSSR is now being executed in the linen industry of Poland and the CSSR, and the leather industry in Poland and the CSSR is working on an agreement on the production of spare parts, components and assemblies for machines for the footwear industry.

Poland has signed an agreement with Bulgaria on specialization and cooperation in the production of work clothes. In line with this agreement, in 1979 and 1980 we supplied Bulgaria with acid-resistant overalls and received work clothes from Bulgaria, including insulated outfits, jackets and so forth.

For several years now, we have been cooperating with Hungary in the production of spare parts for STB spindles. We are negotiating the specialized production of fabric for dry and wet filtration in 1981-1985 with our Hungarian partners.

The construction of the Druzhba cotton combine, an enterprise jointly operated by Poland and the GDR, has been of particular significance in the development of Poland's bilateral cooperation with other CEMA countries. This is the first jointly operated production enterprise in the CEMA countries and it also represents the latest level in the development of economic integration. Druzhba began operating in 1975 and has been of substantial help in reducing the shortage of cotton thread in Poland and the GDR. We are now beginning the enlargement of Druzhba and the intensification of production here, which will aid in increasing the output of thread for Poland and the GDR.

The changing conditions of socioeconomic development in recent years in Poland and the other CEMA countries, particularly the limited nature of energy, raw material and labor resources, have made it necessary to concentrate efforts and resources on the resolution of the most urgent problems. This is why we are attaching major significance to the unification and coordination of efforts within the socialist community to expand the raw material, technical and energy base of light industry. Cooperation will play an important role in reducing the energy and material requirements of production processes and ensuring the more intelligent use of existing resources.

The problem of establishing a more modern technical base in the CEMA countries by means of a further increase in well-organized reciprocal deliveries is also acquiring increasing importance. Here it should be noted that economic exchange has developed quite quickly in recent years. In 1976 imports of machinery and equipment from the CEMA countries for Polish light industry constituted 35 percent of all imports in this area, but last year the figure rose to almost 67 percent. In the last 5 years the proportion accounted for by imports of machinery from the socialist countries has almost doubled. As a result of agreements on production specialization and cooperation within the framework of permanent CEMA task forces and the Intertekstil'mash International Economic Association, the proportion accounted for by imports of machinery for Polish light industry from the socialist countries will remain the same in 1981-1985--that is, it will be fairly high in comparison to the last five-year plan, but this will not completely cover our needs. Besides this, the performance quality and the production and technological parameters of some machines need improvement.

The Intertekstil'mash International Economic Association must play a greater role than before in the provision of light industry with machines in the necessary quantity and of the necessary quality.

Poland's scientific and technical cooperation with other CEMA countries is valuable and is expected to have a long-term impact. The institutes and scientific research establishments of the Polish Ministry of Light Industry, in conjunction with similar institutes in the CEMA countries, are taking an active part in this work.

These institutes are working together to develop and incorporate new production equipment and technology. As an example, we could cite the participation of Polish scientific research establishments in multilateral cooperation in the following

areas: the development of technology for processing textile by-products in yarn, fabric, knitwear and clothing factories; the development of intensive technology for dyeing and finishing cloth and knit fabric; the improvement of the hygienic properties of cloth and knit fabric with the use of chemical fibers; the development of new standard research methods to determine the qualitative indicators of raw materials and textiles for the purpose of establishing the prerequisites for standardization; the development of technology for the production of high-quality pigskin and its efficient use and modern methods of trimming soft leather with the use of new chemical materials; the development of technology for new types of footwear sizing and the determination of guidelines for its use. Besides this, joint projects are also being conducted in the clothing industry with regard to clothing design, the bonding of materials, the storage, packaging and shipment of ready-to-wear, and so forth.

Technological cooperation with the countries of the socialist community is constantly developing and taking on new forms as a result of the conclusion of bilateral and multilateral agreements.

The successful results of the multifaceted collective activity of CEMA countries in the sphere of light industry, which are indisputably the result of cooperation, and their common economic interests and cardinal sociopolitical goals clearly attest to the absolute expediency of, and need for, the further intensification, enrichment and development of mutual economic cooperation and commodity exchange and the institution of new integrative measures.

In conclusion, I would like to express my firm belief that the results of the work performed during the time of the latest, 35th Session of the Standing CEMA Commission on Light Industry in Warsaw will aid in the continued successful development of light industry in the fraternal socialist countries.

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WIDENING FORMS OF ECONOMIC COOPERATION WITH ITALY

Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 pp 21-23

[Article by M. Lazarova]

[Text] Italy is one of Bulgaria's foremost trade partners among the advanced non-socialist countries. A number of factors have contributed to this favourable development: traditional economic relations, geographic proximity, and the two states' foreign economic policy.

The steady expansion of Bulgaro-Italian trade is based on the 1974 long-term agreement on economic, industrial, scientific and technical cooperation as well as on the 1975 ten-year programme for the development of this cooperation. The general agreements on economic, industrial and technical cooperation, signed with well-known Italian groupings and companies play a particular role, along with the activity of the joint organs — commissions and working groups — that have been set up.

In 1979 Bulgaro-Italian trade attained a value of 212 million leva, or a 60 per cent increase over 1970. Typical of the structure of Bulgarian exports to the Italian market is its improvement by expanding the share of machinery, equipment and other industrial products. Among the latter

electric motors (50,000 to 80,000 in 1978—79) are coming ever more to the fore, followed by lathes, drills, electric trucks, I. C. E. trucks, and woodworking machines, as well as telephone sets and automatic telephone exchanges. Bulgarian imports from Italy consist chiefly of industrial products, in particular equipment for the food, textile and chemical industry, as well as building and roadbuilding machinery.

The new trends in East-West economic cooperation are also typical of Bulgaria's economic links with Italy. Italy ranks second to Federal Germany in the number of agreements on joint ventures in industry, concluded by Bulgaria with the advanced non-socialist countries. These often assume the form of delivery by Italy of complete plant and equipment against payment in goods turned out by them or in other products. Among these let us mention: installations for the production of ethylene, vinyl chloride, air coolers and heat exchanges, supplied by Tecnipetrol; equipment for a plant for aluminium foil and a plant for faience slabs, supplied by Morando

Impianti Co.; up-to-date equipment for one of the biggest canneries in Europe, supplied by Ajind Co; a plant for the production of urea, installations for the production of chemical fibres and so on. Various non-metalliferous minerals are now being mined with the aid of Italian firms: obtainment of raw material for the production of bentonite and products thereof, development of marble quarries and production of marble articles. Other examples of industrial cooperation are to be found in the field of crane production based on documents supplied by an Italian company, as well as in the production of automatic circuit-breakers after a licence of Italian firms.

Economic relations with the famous Italian grouping FIAT are of long standing. The general agreement concluded in 1976 with that company acted as a powerful stimulant. In the field of engineering considerable opportunities opened up for cooperation between Italian companies and Bulgarian economic organizations in the production and exchange of units and details, documentation with the IRI grouping which signed the general agreements in 1978; in construction and tourism — with the Volani Co (1978), with which motels and roadside projects are being built; and in the chemical industry with Montedison, ENI (1974) and Tecnipetrol (including engineering, 1977).

The joint construction of projects in third countries represents a new moment in bilateral cooperation. Collaborating with Italian companies, Bulgarian economic organizations take part in the joint delivery of enterprises for building materials (Snam Progetti), chemical plants (ENI) and in the building of oil refineries in Libva.

The formation of joint engineering organizations for joint ventures in third countries would seem to offer favourable opportunities in this respect.

The joint enterprises established in Italy with the participation of Bulgarian organizations and Italian firms tend to extend the sale of Bulgarian machinery and other industrial goods. These are Sibicar, whose function it is to expand the export of Bulgarian electric and I. C. E. trucks on the Italian market; Sibimex, performing the same function for metalworking and other machines; F. A. R., securing the marketing of electronic and electrical engineering products; and Conor, securing the marketing drugs and chemicals.

Decree No 535 of the Bulgarian State Council of 1980 should open up new opportunities for cooperation between Bulgarian juridical persons and Italian juridical and physical persons, as it ameliorates the national mechanism for the development of various new forms of economic cooperation. This normative document authorizes the establishment of joint enterprises in Bulgaria, so-called amalgamations or pools in the production, research, technical, engineering, development, marketing and other types of activities in industry, agriculture, construction work, trade transport, services and tourism. Agreements on industrial cooperation and on setting up amalgamations are concluded for the purpose of raising the scientific and technical level of production its effectiveness and quality, as well as for broadening export possibilities and increasing returns in foreign currency, and meeting more fully the requirements of the nation's economy. The realization of joint economic activities on the basis

of the parties' financial participation, joint management and distribution of profits and losses is stipulated in the agreement on amalgamation. Moreover, the share of the foreign participation (in cash, articles, know-how, services and rights) in an amalgamation which is not a juridical person may exceed 50 per cent. Favourable possibilities have also been secured in the foreign currency, financial and other spheres, which provide for tax and customs alleviations, as well as for the legal protection of foreign physical and juridical persons.

The formation of joint enterprises in and outside Bulgaria should become a major form of economic cooperation between Bulgarian organizations and Italian companies. This should be conducive to a further extension of economic cooperation between Bulgaria and Italy and should contribute to its enrichment and to raising it to a higher level.

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EXPANDING ECONOMIC RELATIONS WITH TANZANIA

Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 24

[Article by P. Serafimov]

[Text]

Bilateral relations between the People's Republic of Bulgaria and the United Republic of Tanzania were established very soon after the young African State had won independence. Since then almost twenty years have elapsed, in the course of which the development of friendly ties and cooperation has been making steady progress. Economic relations, based on mutual benefit, occupy an important place among them. This has found an expression in a number of official agreements, such as the agreement on economic, scientific and technical cooperation, the trade and credit agreement, and the agreements on the supply of experts and on cooperation in agriculture. In 1976 a Joint Committee for Economic, Scientific and Technical Cooperation was set up.

During the visit to Bulgaria in September 1979 of Tanzanian President Julius Nyerere a joint declaration was signed, in which the two countries stressed the necessity to extend and deepen economic cooperation by establishing joint enterprises, by engaging in the joint construction of development projects, and by supplying docu-

mentation for suitable technologies. Particular emphasis was put on cooperation in the field of agriculture, where joint ventures in plant growing and irrigation schemes were envisaged, with Bulgaria supplying the necessary machinery, technology and experts. Interest was also shown in the development of business contacts in the sphere of fishing, transport, trade, science and technology.

These mutual good intentions found a concrete expression in two important documents:

a) Basic trends of long-term economic and commercial cooperation between Bulgaria and Tanzania up to 1980, and b) Agreement on a loan granted to Tanzania by Bulgaria for the delivery of complete plant.

The first complete plant exported to Tanzania was a leather factory in Morogoro with a daily capacity of 12 tons of raw cattle hides and 3,000 sheep and goat hides. For over a year now this factory has been turning out buckskin, boxcalf, and kid, most of which is set aside for export.

A machinebuilding plant is now under construction in Moshi, which will

produce all-purpose lathes, lino grinders, drills, hydraulic and all-purpose disk saws and other high-precision woodworking machines. The plant will be assembled and equipped by Bulgarian engineering organizations. It should be mentioned that this plant will lay the foundations of Tanzanian machinebuilding, as it is the first enterprise of its kind in the African state. But, of course, this industry requires skilled workers and a competent staff of engineers. For this purpose Bulgaria will help set up a centre for the training of cadres - engineers and technicians, in which some 2,000 local students will acquire the rudiments of their new trade and then specialize in it. Bulgarian experts will take an active part in the designing, construction and equipment of this centre, as well as in the organization of training. The centre is to be ready by 1983.

Negotiations are now in progress on the construction of a plant for agricultural machines and tools. These refer also to the realization of other industrial agricultural projects with Bulgarian participation. Experts from the Agrocomplex Engineering Enterprise jointly with their Tanzanian colleagues from the National Agriculture and Food Corporation have been exploring ways and means of building a poultry farm for 500,000 broilers and 60,000 layers in the vicinity of Dar es Salaam. Contacts are continuing for an eventual participation of Bulgarian enterprises in the construction of hydrotechnical installation and in the organization of agro-industrial complexes.

Tanzania's developed stockbreeding and its interest in processing enterprises are a prerequisite for the activation of Bulgarian exports of slaughterhouses and leather factories, which are to be paid for in finished products - raw hides and tanned leather.

Good prospects are now opening up for Bulgaria's participation in Tanzania's water-supply, in mining and

geological prospecting especially in determining the deposits and the possibilities of exploitation of ores and minerals. This participation could also extend to the spheres such as power generation, electrification, radio communication and telecommunication. These good prospects for a further extension and deepening of Bulgarian-Tanzanian business contacts and cooperation are in the interest of both nations.

TWO INTERNATIONAL FAIRS IN PLOVDIV REVIEWED

Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 36

(Article by L. Mihailov)

[Text] In existence now for almost 90 years, the Plovdiv Fair has won recognition in the business world as a centre of international trade and economic co-operation. Every year some 80 countries take part in it, including all the CMEA member-states, most of the nations from Western Europe, the USA and Japan, as well as a growing number of developing countries. It is precisely at the Plovdiv Fair that Bulgarian foreign trade organizations conclude most of their transactions with their partners abroad.

The good prospects for Bulgaria's further progress during the Eighth Five-year Plan (1981-85) should intensify still more its role and significance. Exports and imports are to mark a new increase. Particular attention will continue to be paid to the structural improvement of exports by increasing the share of electronic, mechanical and electrical engineering products at the expense of farm produce and food-stuffs.

Furthermore the trends of Bulgaria's socio-economic development during the period under review provide for a fuller satisfaction of the population's growing and diversifying demand for consumer goods.

The two international fairs to be held in Plovdiv this year, in spring and in autumn, are of major significance for the implementation of the current targets set to the nation's economy.

The spring fair will focus on products of the branches of industry which are connected with the lifestyle of the people. Along with Bulgarian exhibi-

tors, foreign companies too will take part in this fair, putting on show products of the food, textile, woodworking, electric appliances, glassware, porcelain-faience and other industries. The first Plovdiv Spring Fair will be held from May 5 to 14, 1981. Beginning with 1982 it will open on the first Sunday in May and will last seven days. The Plovdiv Autumn Fair will be purely technical in character. Its purpose will be to demonstrate products of mechanical and electrical engineering, of the electronic and chemical industry. This year it will be held from September 26 to October 5, and beginning with 1982 it will open on the last Sunday of September and will last eight days.

The two specialized fairs in Plovdiv, to be held in spring and in autumn, should heighten the significance of this important event in the economic life of Bulgaria as a centre for the exchange of useful information, for talks and discussions, or the birth of new ideas in the sphere of economic cooperation and for the conclusion of more transactions. Their contribution to an expansion of mutually profitable trade may also be expected to increase.

AFRICAN SCIENTIFIC-TECHNICAL AID IN PUBLIC HEALTH DISCUSSED

Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 pp 38, 39

[Article by P. Maslenkova]

[Text] Public health in Bulgaria is one of the foremost gains during the years of people's rule. Its progress is continuous, in conformity with the most up-to-date requirements for the protection of the health of the people and for the lengthening of their active lifespan, in accordance with the achievements of science and practice. Bulgaria today ranks among the first nations in the world in the per capita number of health establishments and medical personnel, as well as in the results of its activity. The help rendered by Bulgarian medical workers is an important factor in the nation's economic, scientific and technical co-operation with other countries. Specialists in various branches, forming complete hospital teams, provide medical assistance of a high order. In Libya, Tunisia, Algeria, Morocco, Ethiopia, Angola and Mozambique the name of Bulgaria is frequently associated with the most fruitful activity of its doctors. The health undertakings realized abroad with the concurrence of Bulgarian medical cadres are not few in number. They are applying their knowledge and experience in regional health wards, dispensaries, out-patient clinics or big hospitals. Scores of letters of gratitude insist that they prolong their stay. Publications, research studies and participation in international conferences are enhancing their prestige. Bulgarian doctors are doing a fine job in protecting and ameliorating the health of the people in many African

and other countries. They are combating diseases and epidemics, setting up sanitary and anti-epidemic centres, and are organizing popular lectures on health education. They are experienced diagnosticians and healers, competent surgeons, cardiologists, ophthalmologists, neurologists, gynaecologists, paediatricians and orthopedists. As the Minister of Health of the Libyan Arab Djamshirya, Dr Muftakh Omar, said: 'Their remarkable efforts produce results everywhere'.

Today Bulgarian medical staff can be found in many health establishments in Libya: in the state hospitals in Tripoli and Benghazi, in Adjedabia and Sebha, in Homs and Tarkhuna, in the university hospitals Khadra and Bab El Azizia, in the Djala gynaecological hospital, in the ward for burns and plastics, in the eye hospital and neurosurgical ward, in dispensaries and out-patient clinics.

Requests for the dispatch of Bulgarian doctors and medical staff keep arriving from abroad at an increasing rate at the Bulgarian Ministry of Public Health and at MEDEXIM, an organization set up for the purpose. Agreement has been reached with Nigeria, on the dispatch of medical specialists and on assistance in the establishment of a sound material and technical base of health services. Activities along these lines in Angola, Mozambique and Ethiopia are to be expanded.

MEDEXIM will henceforth handle scientific and technical cooperation in the sphere of public health and medical practice. The rendering of other services in this field will also be regulated.

The medical cadres sent abroad are picked on a nationwide basis. They can cope with tasks involving the development of health services, the devising and introduction of new methods of prophylactics, diagnosis, treatment and rehabilitation. Familiar with the latest requirements of curative, hospital, laboratory and research work, they lend technical assistance in a variety of forms: scientific exchanges, professional and cultural cooperation, transmitting their knowledge and experience to their local colleagues in the establishment of medical networks and in the performance of sanitary measures, as well as in the organization of emergency aid centres. The job done by Bulgarian doctors is a shining example of cooperation in the name of peace and human welfare.

CSO: 2020/57

CONSTRUCTION OF OIL STORAGE DEPOT IN IRAQ DESCRIBED

Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 pp 27-28

[Article by Eng P. Braykov and Eng I. Bakova]

[Text] One of the most important fields of activity of the Bulgarian engineering corporation TECHNOIMPORT is the investigation, feasibility studies preparation, engineering and putting up of oil storage depots. This construction is performed in accordance with the requirements of the contemporary standards. Up-to-date welding technique is applied, as well as level gauges ensuring a faultless fire fighting system. The identification, the filling and the dispatching of the tank cars are performed quickly, accurately and safely.

Important indication of TECHNOIMPORT'S possibilities in this field is the construction of the "New Russaffa Oil Storage Depot" in Iraq, by virtue of the contract signed with the State Organization for Oil Projects (SCOP). The customers were given assistance to develop the conceptual engineering even before the signing of the contract. After the approval of the technical design of the depot, the engineering phase was entered into, which is a new element and aspect of the cooperation — selecting equipment by maintaining direct contacts with the manufacturers. The equipment arriving from third countries was purchased on a "cost plus fee" basis. This type of contracts give the client a possibility to obtain price information for the goods he is buying. Another new aspect of the cooperation between the two countries and companies was the horizontal split-

up of those activities. SCOP undertook the civil works implementation making use of their own personnel and equipment on the basis of a design by TECHNOIMPORT, who created its own organization of highly qualified specialists equipped with most modern welding technique and equipment. As a result of the good cooperation between TECHNOIMPORT and SCOP, the civil works and erection operations were promptly commenced.

The "New Russaffa" depot shall have a capacity of about 180,000 m³ and shall consist of 17 tanks with a volume of 10,000 m³ each, as well as some smaller tanks to be used for storing mixed products and lube oils. It will receive several types of fuels from the pipeline coming from the Daura refinery to Baghdad. The products, entering the depot, shall be measured in terms of quantity and identified in terms of quality by the inlet density measuring block, continuously and automatically. The pipelines filling and emptying the tanks are fitted with remotely operated motor valves. All the tanks are designed and constructed in conformity with API-650, Appendix D. The gasoline tanks are of the floating roof type. Reliable level gauging system shall allow the operator in the control room to obtain information for the levels of the different products in the tanks in

just a few seconds and to have adequate signals for both over-high and excessively low level within them.

One of the basic characteristics of the oil depot New Russaffa shall be its high throughput, due to the large number of loading arms, the high speed of filling of the tank cars (200 m³ h), and the high level of automation.

The panels of the receiving station, the density-meters, the measuring block and the graphic panel of the depot shall be located in a central control room. Immediately adjacent to the graphic panel, the main fire fighting panel shall be installed, the remote control instruments for the motor operated valves of the headers for fire water and foam solution.

There will be a visual display installed at the control room, to provide information for the levels and temperatures of the products within the tanks. The printing device shall, for only a few minutes, put this data into the journal of everyday operation.

The loading and unloading operations shall be controlled and monitored from a special dispatching centre located at the entrance of the depot.

The basic service expected from the computer is the drafting of the material balance. For this purpose, there is information arriving to it from all the counters at the inlet and at the outlet of the station, as well as from the tanks level gauging system. The dispatching station operator shall control the operations performed on all the loading islands.

The layout of the depot is quite reasonable allowing for possible future extension. A parking lot for 250 tank cars with a volume of 36 m² each will be available. The roads and the platforms shall allow for the easy drive of the large tank cars, as well as for their easy maintenance.

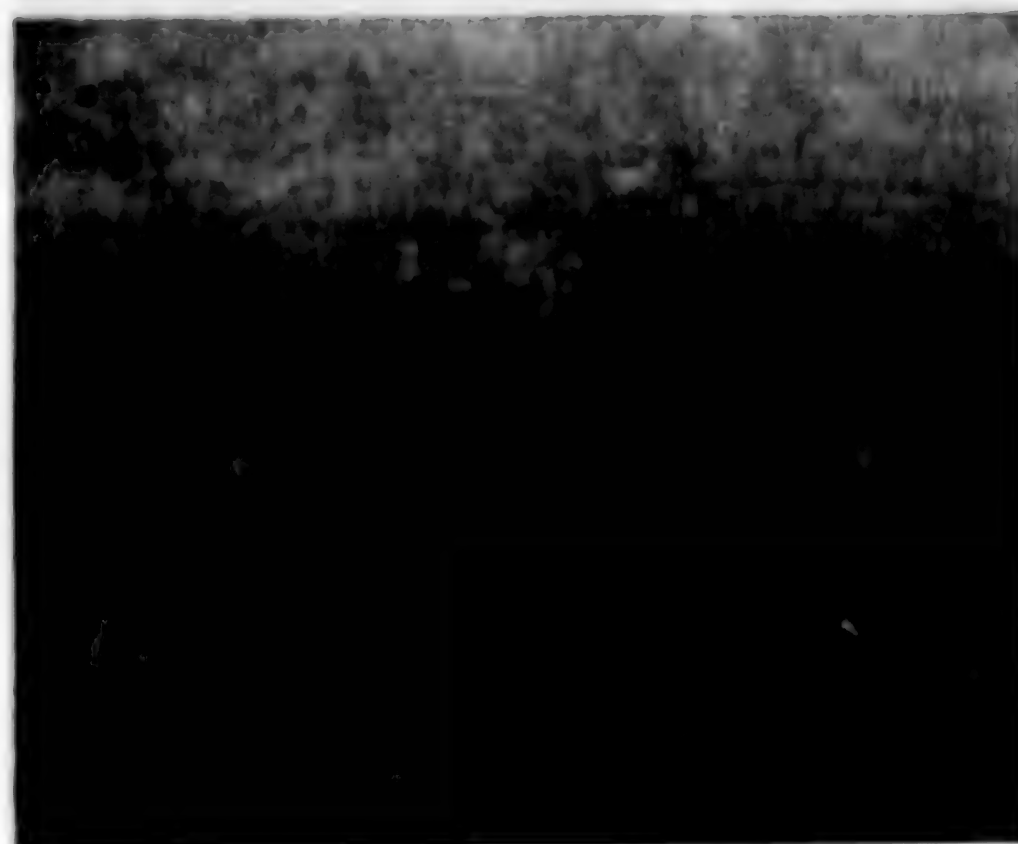
The fire fighting system of the depot corresponds to all contemporary requirements of the American NFPA

standard. The gasoline tanks shall be fitted with automatically actuated fire extinguishing and fire alarm systems using heavy BCF gas. All the

rest of the tanks shall have two or four foam chambers each, depending on their size, fluoroprotein being used as a foaming agent. There will be manual foam fire extinguishers installed at all crucial parts of the depot, full of foam solution and or dry powder. For fire fighting purposes in the computer and control rooms, cylinders containing heavy halon gas shall only be used for suppressing the fire on the existing equipment. At suitable places around the depot, signal type fire extinguishers shall be installed, button type and of the "break-glass" type.

The construction of the up-to-date oil depot New Russaffa is a good example of a mutually beneficial collaboration as well as of the fruitfulness of applying new methods of engineering, procurement and erection of complete plants.





BRIEFS

ELECTRICAL EXPORTS--One of the agreements on specialization and cooperation within the framework of the international organization Interelectro establishes Bulgaria as the foremost exporter among the CEMA member-states of sets of electric drives with high-torque motors for transmission movements of machine tools with digit programming. According to this agreement in 1980-85 Bulgaria is to supply the Soviet Union alone with such products to the tune of 200 million leva. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

BULGARIAN-GDR TRADE AGREEMENT--The Bulgaria-GDR long-term trade agreement for 1981-85 provides for a further rapid expansion of economic cooperation. Trade is to mark a 40 per cent increase over the preceding five-year period. Great attention has been paid to problems of specialization and cooperation, so as to further extend and deepen collaboration between the two countries. Good prospects are opening up for the manufacture of equipment for open-cast coal-mining. Cooperation in this field is to meet the needs of the two countries and subsequently to extend to third markets. Possibilities are being discussed of further developing specialization and cooperation in the sphere of micro-electronics as one of the most promising fields connected with the mechanization and automation of production processes. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

BULGARIAN-ROMANIAN TRADE--In 1981 the exchange of consumer goods between Bulgaria and Romania is to come up to 28 million rubles, i.e. a 20-per cent increase, according to a protocol signed in Bucharest by the respective Ministers of Home Trade. Trade on the frontier is to be intensified. For the purpose a shop for Bulgarian goods is to be opened in Giurgiu and one for Romanian goods in Rousse. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

TRADE WITH DPRK--Trade between Bulgaria and the Korean People's Democratic Republic in 1981-1985 is to mark an increase of 75 per cent, as compared to the preceding five-year period, in accordance with the long-term trade pact recently signed in Sofia. Bulgaria is to export machinery and equipment, soda ash, urea and drugs, as well as consumer goods, in exchange for machinery and equipment, power transformers, instruments, high-grade steels and cement. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

BULGARIAN-MEXICAN AGREEMENTS--Economic cooperation between Bulgaria and Mexico is making good headway. A number of agreements have been signed on cooperation in agriculture, food industry and transport. Specialization and cooperation in the production of machine tools are steadily expanding. Bulgaria is supplying Mexico with soda ash and chemical fertilizers, lathes and computer technique, in exchange for various raw materials and consumer goods, in particular cocoa-beans and citric fruits. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

TRADE AGREEMENT WITH LAOS--In accordance with the recently signed 1981 trade and payment agreement with Laos, Bulgaria is to export to that country agricultural equipment, electric material, electronic and electrical engineering products, medical equipment and drugs, and to import from there coffee, spices, veneer, crossbeams and timber. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

ASSISTANCE TO AFGHANISTAN--A leather factory, a wine cognac cellar and a brick kiln are to be built and a cannery is to be extended in Afghanistan with the technical assistance of Bulgarian experts and with Bulgarian equipment. In addition, a calf-fattening and a poultry farm as well as two fish enterprises are to be built with Bulgarian participation. There are also good prospects for an expansion of trade by lengthening the commodity lists. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

TRADE WITH NETHERLANDS--During the Days of Bulgarian Economy and Technics in Rotterdam an agreement on cooperation was signed between the Bulgarian Chamber of Commerce and Industry and the Dutch Centre for Trade Development. In 1980 trade between the two countries attained a value of nearly 100 million leva. Bulgaria exported to Holland freighters for over 60 million leva. A number of bilateral agreements were signed, delineating good opportunities for intensified cooperation between Bulgarian enterprises and well-known Dutch companies. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

BULGARO-BRITISH COMMERCIAL FIRM--Bulgarian Vintners Co. Ltd., is the name of the recently established first joint Bulgaro-British commercial firm, which will deal with the import of Bulgarian wine and beverages into Great Britain. The two partners are Vinimpex, a Bulgarian foreign trade organization, and Mills & Allen International, a British grouping. Big companies and stores for the sale of wine and beverages have already placed orders. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

EXHIBITION AWARD--Technika, a Bulgarian foreign trade organization, was awarded the Grand Prix for the best exhibitor at the JENA 80 International Exhibition for Novelties in Nuremberg. Technika supplies licenses for Bulgarian inventions on the international market. Many of the highly effective Bulgarian technologies and new products on show coped gold, silver and bronze medals, among them Method and Machine for Precontract Flotation and Method for Accelerating the Hardening and Increasing the Strength of Concrete and Cement. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

TREATMENT OF LIQUID STEEL--The Institute for Metallography and Metal Technology in Sofia has devised a method for the extrafurnace treatment of liquid steel with nitrogen, which secures high-grade steel, economy of nitreous ferro-alloys, and greater efficiency of the steel aggregates. The new method has been introduced in the Kremikovtsi iron and steel works. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

NEW ZINC COATING METHOD--A number of Bulgarian plants have adopted a new method for applying zinc coatings on metal surfaces, called Robozinc-M. It permits to avoid the use of a cyanide solution with its highly poisonous action. The work of galvanotechnical shops is thus considerably alleviated. [Text] [Sofia BULGARIAN FOREIGN TRADE in English No 2, 1981 p 48]

CSO: 2020/57

BRIEFS

CSSR WATER RESERVOIRS--The CSSR has 148 dam reservoirs with a total volume of approximately 4.5 billion cubic meters of dammed water, mostly built after 1948. In 1950 it had only 35 dam reservoirs, with a water volume of 266 million cubic meters. Now CSSR has 13 reservoirs with a capacity of more than 100 million cubic meters each. Since 1970 the CSSR has built an additional 30 reservoirs, and several additional ones are under construction. In Slovakia there are now 45 reservoirs either completed or under construction, 23 of which are along the Vah River. The Liptovska Mara dam has a capacity of 360 million cubic liters and plays a large role in the CSSR's power economy. In the Czech lands the water works in Drevnice near Slusovce (10 million cubic meters) supplies water to the Gottwaldov industrial complex; the reservoir in Kratinka near Letovice supplies drinking water to Brno; the water works Landstejn in the easternmost part of southern Bohemia supplies water to the Slavonice-Dacice water works system, and the water works Lucina on the Mze Rpt Mze River to the Tachov-Bor-Plana water works system and for industry and irrigation purposes. [Prague RUDE PRAVO in Czech 3 Jun 81 p 3]

PRAGUE-HANOI FLIGHTS--On 10 June Czechoslovak Airlines [CSA] started a new, once-a-week service on the Prague-Bombay-Hanoi-Damascus-Prague route. In the coming months, the CSA will carry to Prague more than 10,000 Vietnamese who will learn the latest production processes in Czechoslovak industrial and agricultural enterprises. [Prague ZEMEDELSKE NOVINY in Czech 11 Jun 81 p 2]

SLOVAK-SOVIET TOURIST PROTOCOL--A Slovak-Soviet protocol on the exchange of tourists in 1982 was signed in Bratislava on 11 June by V. Lebedev, chairman of the Soviet Shareholding Company in Tourism and deputy chief of the department of foreign tourism attached to the USSR Council of Ministers, and by L. Gazo, director of the cooperative Tatratour Travel Agency. Under the terms of the protocol at least 13,500 Slovak tourists will travel to the USSR next year and 3,000 Soviet citizens will be received in Tatratour facilities. The Slovak tourists "will also be able to visit some new regions, particularly in the South Asian republics, and Baikal." [Bratislava SMENA in Slovak 12 Jun 81 p 1]

DELEGATION TO POLAND--On 22 June a delegation of the Central Committee of Cooperative Farmers Union under the union's chairman, engineer Pavel Jonas, departed for a 4-day visit to Poland at the invitation of the Polish Central Union of Agricultural Production Cooperatives; it will visit certain Polish agricultural production cooperatives and exchange experience. [Prague ZEMEDELSKE NOVINY in Czech 23 Jun 81 p 4]

CSSR'S CAR PRODUCTION--Miroslav Capka, chairman of the CPCZ's Central Control and Auditing Commission, visited on 18 June the largest CSSR automobile factory in Mlada Boleslav; this year it will produce more than 170,000 passenger cars. In the afternoon of the same day M. Capka visited the Liaz final assembly plant in Mnichovo Hradiste, which will produce more than 12,000 freight cars this year, mostly for export. [Prague RUDE PRAVO in Czech 19 Jun 81 p 2]

CSO: 2400/251

AGRICULTURAL DEVELOPMENT IN 1961-1985 DISCUSSED

Production Growth

Warsaw NOWE DROGI in Polish No 7, Jul 79 pp 86-98

[Article by Zdzislaw Grochowski]

[Text] While examining the growth possibilities of agricultural production in the next five-year plan period, one has to consider both the growth tendencies up to the present, factors which used to determine this growth, as well as their anticipated or assumed changes which can accelerate or slow down the production growth rate in the future, and also the regularities and interdependencies which occur in farm production. The reason is that the last mentioned have their own specifics as compared with the other branches of material production.

As differentiated from industry, where increased production is directly related to installed production forces and the consumption of raw materials, a characteristic trait of the development of agricultural production is the appearance of a biological barrier against increase, particularly of increase in crop yields; this barrier can only be overcome gradually through systematically increasing the inputs of yield-producing means and factors (fertilizers, plant pesticides, land reclamation, more productive crop varieties). The attainment of each subsequent unit of yield increase requires ever larger material inputs. Despite their being constantly increased per area unit and yield unit, after the attainment of a certain yield level there occurs the phenomenon of dwindling increases in land productivity, which is reflected in the decreasing growth rate of crop yields and harvests. This phenomenon also occurs in our agriculture, which is proven by changes in the rate of yield and harvest increase in our total agricultural production. Thus, the average rate of increase of harvest in 1950-1978 was 2.4 percent annually¹, while in the 1950's it was 2.7 percent and 2.5 in the 1960's. It was barely 2.0 percent annually in the 1970's (up to the year 1978). The drop in the average rate of harvest increase in the 1970's was caused both by unfavorable weather conditions (poor harvest of grains in 1975 and 1977), and by slower increase in the rate of mineral fertilization in recent years (fertilization for the 1978 harvest amounted to 190.3 kg [per hectare] and was even 3 kg less than for the 1976 crop). Considerable delay in the implementation of the mineral fertilization program in agriculture (the assumptions of the 15th Plenum of the PZPR Central Committee in 1974 had anticipated 250 kg of nitrogen-phosphorus-potassium in 1980) caused the slowdown of the rate of harvest increase to be larger than that which had been

anticipated from general trends. Regardless of that, however, the slowdown of the rate of harvest increase is, in our conditions, a real fact which we should take into account during an evaluation of a further increase of agricultural production. If we assume that the delay in mineral fertilization will be made up for to a considerable extent, then we can estimate that the rate of harvest increase in the 1980's will be approximately an average of 2.1 percent annually.

The slower rate of harvest increase (of total crop production) is, however, not equivalent to the slower rate of increase of agricultural production as a whole, because the latter production can even show a faster rate of increase. And this also is one of the factors of the development of agricultural production and is reflected in the possibility of a faster rate of increase in animal production as compared with crop production as a consequence of changes in the distribution of the latter, in which there is evidence of an ever growing increase of the share of products which are earmarked for processing into animal products. This is a result of the more or less stable position of expenditures for seed and the decreasing position of horse fodder; it is also a result of the fact that the rate of increase in demand for crop products for consumption by the population and for industrial processing is lower than the rate of harvest increase. Because, with the increase in the nutrition standard of the population, demand for food products of crop origin as calculated per one inhabitant does not show any growth trend (true, there is an increase in the consumption of vegetables, fruit, sugar and vegetable oils, while there is a decrease in the consumption of grains and potatoes), and on the national scale this demand increases in our conditions by about 0.9 percent annually on the average. As a result, the absolute increase in crop production earmarked for fodder for livestock for industrial processing is, as a rule, somewhat larger than the increase in harvest. This creates an opportunity for a larger increase in animal production as compared with crop production. An additional factor which influences either the acceleration or deceleration of the rate of increase in animal production is represented by fodder imports.

The increase in fodder imports from 2.1 million tons in 1970 to approximately 8 million tons in 1978 brought about the transformation of our country from a traditional exporter into a net importer of agricultural products. In 1978, the value of imports of farm and food products (not including farm raw materials for light industry, citrus fruits and condiments and beverages) amounted to approximately 6.1 billion foreign-exchange slotys, while that of exports was approximately 4.0 billion foreign-exchange slotys. Thus, the minus balance of foreign trade in farm and food products amounted to 2.1 billion foreign-exchange slotys, i.e., approximately \$630 million. This represents too large an encumbrance of our balance of payments and cannot be maintained in the long run, especially since in the near future there is no chance to equalize the minus balance in this area through exports of industrial products. Also for this reason, besides increasing exports of farm and food products we must gradually decrease imports of grains and fodder. Considering our grain and fodder balance, we cannot give up imports entirely. It is estimated that in the 1980's we will be importing approximately 2 million tons of grains and approximately 2 million tons of high-protein fodder, not including certain amounts of mash which will be obtained from processing imported soybean seeds into oil. Fodder imports of this magnitude (a total of approximately 4.2 million tons) can be balanced through exports of farm and food products.

The need to decrease fodder imports in the coming five-year plan period creates an entirely different situation in the area of possibilities of development of animal production as compared with the 1970's in which there was a steady increase in fodder imports. The increase in fodder imports was one of the essential factors in accelerating the increase in animal production and food production in general and considerably increasing the nutritional standard of the population of our country.

The volume of animal production, calculated in mean conversion units (1 kg mean = 1 kg eggs = 6.67 liters milk = 0.28 kg wool) increased from 4.61 million tons in 1970 to 6.1 million tons² in 1978, i.e., by 1.47 million tons (by 32 percent). In this period, the value of fodder consumed by livestock for industrial processing increased from 150 to 230 billion slotys (in constant 1976 prices), i.e., by 72 billion slotys, 38 billion of which represented domestic production and 34 billion production from imports. If we divide the increase in animal production proportionately to the increase in the value of domestic and imported fodder, then it will turn out that from the increase in domestic fodder we obtained approximately 780,000 conversion tons, and from imported fodder we obtained approximately 780,000 conversion tons and from imported fodder we obtained approximately 690,000 conversion tons of animal products.

The annual consumption of animal products per inhabitant increased in 1970-1978 by 25.2 conversion kg (17.9 kg of which was represented by meat, 41 liters by milk and milk products, and 28 units by eggs), including approximately 11.0 kg at the cost of increasing fodder imports and, consequently, the minus balance of foreign trade in farm and food products.

The increasing fodder imports in the 1970s made it possible to accelerate increasing animal production in relation to the potential production capabilities of our agriculture. The assumed decrease in fodder imports in the 1980s will, of course, bring about a slower rate of increase of animal production owing to the fact that a part of the increase in domestic fodder production must replace the loss of imported fodder.

From the estimates given in Table 1 it follows that despite the acceleration in the rate of harvest increase and of decrease in the use of crop products for seed and fodder for horses in the forecast period, the rate of increase in fodder for industrial-processing livestock will fall from 4.7 percent in 1971-1978 to 2.5 percent in 1979-1985. This is, obviously, a result of decreasing, instead of increasing as previously, the quantity of imported fodder.

The increase in animal production will depend, however, not only on an increase in fodder supply but also on the effectiveness of its utilization in the fattening process. From a comparison of empirical data for the years 1970 and 1978 it follows that the quantity of animal products manufactured per 1,000 slotys' worth of utilized fodder decreased from 29.1 to 26.5 conversion kg, i.e., it decreased an average of 1.2 percent annually. This is not fully equivalent to the decrease in the technical effectiveness of the fattening process--although this phenomenon also occurs³--but with the decrease in the economic effectiveness of the fattening process. This results mainly (if we disregard the obviously not excluded possibility of recalculating the increase in yield and harvest) from a change in the

Table 1. Estimate of Possibilities of Increase in Animal Production Up to the Year 1985 (Value of Production in 1976 Constant Prices)

	Trofit (1)	1970 r.	1976 r.	Tempo wzrostu w proc. (2)	1985 r.	Tempo wzrostu w proc. (3)	Wskaźnik wzrostu w latach 1980-1985 (4)
(4)	Główna produkcja rolnicza	307	330	2,0	418	2,1	111,0
(5)	Kmrowa produkcja rolnicza netto	83	71	-1,8	93	2,7	120,0
(6)	Zużycie produkcyjne produktów rolniczych	224	287	2,1	323	1,7	109,0
(7)	w tym:						
	nasiona i pasze dla koni	66	57	-1,8	49	-2,1	90,0
	pasze dla inwentarza prod.	158	230	4,7	374	2,3	112,0
(8)	Produkcja zwierzęca netto	187	233	2,8	294	2,1	111,0
(9)	Razem produkcja kmrowa netto	270	335	2,3	387	2,3	113,0
(10)	Wartość						
	zest. importowanych	13	48	18,0	294	-2,8	71,0
(11)	Dyspozycyjny produkt rolniczy a)	83	117,0	2,8	123	0,8	103,3
(12)	Dyspozycyjny produkt rolniczy b)	282	371	2,4	418	1,8	108,3
(13)	Produkcja zwierzęca w tys. ton mięsa przeliczonego o g)	6690	8106	2,3	7040	2,0	110,7
(14)	Ilość produkcji zwierzęcej w kg na 1000 zł wartości surowych pasz	20,3	26,5	-1,3	23,7	-0,4	98,0

Key:

1. Contents
2. Rate of increase in percent
3. Indicator of increase in 1980-1985
4. Total crop production
5. Net final crop production
6. Use of crop products for production
7. including:
 - seed and horse fodder
 - fodder for livestock
 - for industrial processing
- a) Because of a change in the structure of imported fodder the average price of 1 ton will increase from 5,700 to 6,900 zlotys.
- b) The total of the values of net final crop production and of imported fodder.
- c) Including 5.4 billion zlotys increase in the value of supplies (4 billion zlotys more than in 1970); therefore, in the next period an annual increase
8. Net animal production
9. Total net final production
10. Value of imported fodder
11. Available crop product^{b)}
12. Available agricultural product^{d)}
13. Animal production in thousands of tons: conversion meat^{e)}
14. Quantity of animal production in kg per 1,000 zł of value of utilized fodder

[Key continued on following page]

(Key continued from preceding page)

- of 0.6 percent was assumed instead of an average increase amounting (according to the trend) to 0.9 percent annually.
- d) The total of the values of net animal production and of available crop product.
 - e) Animal production, considered quantitatively, includes also milk and eggs utilized for production purposes (fodder, hatching); on the other hand, it does not include horsemeat.

structure of fodder used in the fattening process, namely, an increase in the share of more expensive fodder as calculated per nutritional unit, chiefly of concentrated fodder, whose use per 1 conversion kg of meat increased from 2.19 kg in 1970 to 3.23 kg in 1978, i.e., by 47 percent.

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One of the basic conditions for attaining the above increase in animal production in the coming five-year plan period is a drastic slowdown of any further increase in the grain intensiveness of animal production (which will be discussed later in this article). The slowing down of the increase in the consumption of concentrated fodder per unit of animal production, despite an increase in the share of much more expensive imported high-protein fodder (which, however, creates a possibility of improvement in the technical effectiveness of the fattening process) should considerably limit any further decrease in the technical effectiveness of the fattening process. Therefore, we have assumed that the decrease in the latter during the coming five-year plan period will be considerably smaller (-0.4 percent annually) than in the 1970s (-1.2 percent annually). With this assumption, the rate of increase in animal production in 1979-1985 would amount, when expressed quantitatively, to 2.0 percent annually. This rate would be lower not only in relation to the period of the 1970s which is being analyzed (3.5 percent annually) but also in relation to the rate of increase in 1950-1970 (2.6 percent annually). Just as unfavorable is the rate of increase of the available agricultural product⁴ (i.e., raw material for food production), which will fall from 3.4 to 1.6 percent annually, while the average long-range rate of increase (for the years 1950-1978) was 2.4 percent annually.

The falling rate of increase of the available agricultural product will have substantial impact mainly on the rate of consumption of food products of animal origin in the first half of the 1980s. We emphasize here clearly "in the first half," because in the second half of the 1980s the then decreasing fodder imports will no longer have a negative effect on the rate of increase in animal production. Because it is assumed that these imports will continue to be maintained at the 1985 level (further on we will give a tentative estimate of the increase in animal production up to 1990).

In the event of full implementation of the accepted assumptions, the volume of animal production in 1985 will amount to 7.04 million tons as converted to meat, that is, it will increase in relation to 1978 by 940,000 tons (15.4 percent). If, on the one hand, we consider the need to eliminate imports of animal products

which took place in 1970 (approximately 70,000 tons in conversion to meat) and, on the other hand, we consider the need to increase exports of these products, indispensable for balancing foreign trade in farm and food products, then it will be possible to earmark not more than 800,000 tons for increase in consumption. Total consumption of animal products would increase from 544 million tons in 1970 to 624 million tons in 1985, i.e., by 14.7 percent. According to demographic projections, the population of our country in 1985 will be 37.66 million, that is, it will increase by 7.6 percent in relation to 1970 (35.0 million). Thus, consumption of animal products per inhabitant can increase by 6.5 percent.

It is, of course, a matter of choice, considering, first of all, the preferences of the consumers, how large an increase there should be in the consumption of each of the four groups of animal products, i.e., meat, milk (including processed milk products), eggs, and animal fats. Undoubtedly the preferences of the consumers will concentrate mainly on increasing the consumption of meat and least on the consumption of animal fats (excluding butter) which from as early as 1970 has stabilized at the level of 7.3 kg per inhabitant and which, with the increase in the consumption of vegetable fats, should even show a slight tendency to decrease. Also, increase in demand for milk products, and particularly for milk, will undoubtedly be weaker. Since 1970, consumption of liquid milk and of its processed products (excluding butter) per inhabitant has not shown any tendency to increase, and has even shown a certain decrease (from 263 to 261 liters), and this level is being influenced by relatively high consumption of liquid milk by the agricultural population. With the decrease in the agricultural population, the consumption of liquid milk per inhabitant on the national scale will decrease to the benefit of an increase in milk products, including also butter. Consumption of the latter, amounting to 8.8 kg is--in comparison with other countries--fairly large, and this results mainly from lack of a substitute of corresponding quality in the form of vegetable butter (recommended by dietitians). An increase in the production of good-quality vegetable butter will undoubtedly slow down an increase in the consumption of butter and can even bring about a decrease in the consumption of the latter. Such a trend has been observed for years in many highly developed countries.

Taking into account the preferences for meat consumption, the increase in the consumption of each group of animal products per inhabitant in the years 1970-1985 is likely to be as shown in Table 2.

Table 2

	<u>1970</u>	<u>1985</u>		
<u>Animal Products</u>	<u>in conversion kg of meat</u>		<u>quantity</u>	<u>percent</u>
Meat	70.6	77.0	6.4	9.1
Milk	65.5	68.7	3.2	4.8
Eggs	12.1	13.0	0.9	7.3
Animal fats	7.3	7.0	-0.3	-4.1
Total	155.5	165.7	10.2	6.5
			<u>In natural units</u>	
Milk (liters)	437	458	21	4.8
Eggs (quantity)	218	234	16	7.3

The increase in the consumption of animal products up to 1985 will be less than would result from a projection of the assumptions accepted by the 15th Plenum of the PEPR Central Committee in 1974. This, however, is a result not so much of accepting excessively high assumptions of increased consumption of animal products up to 1990⁵ as of the unevenness of the increase in production, namely, getting ahead of the general trend of development of animal production in the 1970s and the need to adapt it to the decreasing fodder imports in the coming 5-year period. In the second half of the 1980s, if fodder imports are maintained at the same level and the rate of harvest increase is the same (2.1 percent annually) there is a chance to increase the growth rate in animal production to 2.6 percent annually (compared with 2.0 percent in 1981-1985) and to attain approximately 8 million conversion tons of animal products in 1990. Consequently, the increase in animal production during 5 years (960,000 tons) would equal the increase during 7 years in the 1979-1985 period (940,000 tons). This would assume the consumption of meat and eggs per inhabitant at the level assumed by the 15th Plenum of the PEPR Central Committee (with downward adjustment in the consumption of milk and processed milk products).⁶

The above estimate of the increase in agricultural production to the year 1985 (and tentatively, to 1990) indicates only the potential production capabilities of our agriculture. Implementation of this increase will depend, in the first place, on nonagriculture branches of our national economy, on their possibilities of increasing deliveries of operating assets and capital goods for production,⁷ and only then on agriculture, which can increase its production only with the aid of these assets and goods.

A classical example of the interdependence between the increase in means of production and the increase in agricultural production is the already mentioned falling rate of harvest increase as a result of stagnation in the deliveries of mineral fertilizer for agriculture. This has contributed not only to the slowing down of the rate of increase in animal production, despite an increase in grain imports, but will also have a future impact, especially on the rate of increase of harvest of grains and also indirectly on the rate of increase in animal production. Because the level of grain harvest depends not only on the amount of current fertilizing but also on the cumulative action of regularly increasing applications of fertilizer, and the lack of the latter cannot be made up for in a short time. Also for this reason, the rate of increase in grain yields during the coming 5-year period will be lower in relation to the trend up to the present.

According to economic forecasts made several years ago and based on the assumed (in the program of the 15th Plenum of the PEPR Central Committee) increase in fertilization to 300 kg NPK (nitrogen, phosphorus, potassium) in 1985, grain yields in that year should amount to approximately 34 quintals from 1 hectare. However, taking into account the stagnation in fertilizing during several years and the smaller possibilities of further increase in fertilization (at best to 270 kg NPK per hectare in 1985), it was necessary to lower the forecast level of yields to 32 quintals per hectare. With a falling increase in fertilization, this level, too, can be problematic. These are of course average yields, capable of both upward and

downward deviations; however, we cannot anticipate a favorable combination of circumstances and accept a higher level of yields for our balance, because these may be even lower (in anticipation of this circumstance an appropriate, so-called backup, grain reserve should be created).

The rate of increase in grain yields to 1985, lowered in relation to the trend with a simultaneous reduction of grain and fodder imports, creates particularly large tensions in the grain and fodder balance, even with a much higher rate of increase in animal production. The rapidly increasing supplies of concentrated fodder in the 1970s brought about general application of grain-intensive technical procedures of animal nutrition and an increase of 47 percent in the consumption of concentrated fodder per animal production unit in 1970-1978. As we have already pointed out, the basic and indispensable condition for the achievement of the above increase in animal production in the coming 5-year period is a drastic reduction in the grain-intensiveness of the latter. In our conditions, and particularly in the last few years, the increase in grain-intensiveness considerably exceeded reasonable limits, particularly from the viewpoint of our country's grain balance. In 1950-1970, the consumption of concentrated fodder per animal production unit (1 kg conversion meat) increased from 1.45 to 2.19 kg, i.e., increased at the rate of 2.1 percent annually. This rate was, in principle, adapted to the increase of the share of grains in fodder supplies, with only a slight increase in grain imports. Despite the decreasing area of grain sowing, the rate of increase in yield and harvest of grains has been (and continues to be) higher than that of other crops. This is also a general constancy of development of agriculture, making possible a steady increase in the share of grains in fodder supplies.

In 1978, consumption of concentrated fodder per animal production unit in our country was an average of 3.23 kg, i.e., was increasing 4.9 percent annually in relation to 1970, and so, over twice as rapidly as in the previous period. The acceleration of the rate of increase in grain intensiveness in the 1970s was a result, among other things, of the fact that nearly doubling the annual increases in animal production (in 1950-1970 by approximately 100,000 tons, and in 1970-1978 by 184,000 tons annually) considerably exceeded the potential capabilities of increasing domestic fodder supplies, not only of grains but of other types of fodder. The increasing fodder imports, therefore, not only made up for the shortage of grains but also represented a substitute for nonrain fodder. For this reason also, the grain intensiveness of animal production had to increase more rapidly than would have occurred under conditions of correspondingly adapting its increase to the increase in domestically produced fodder.

Independently, however, of the insufficient increase in nonrain fodder, other causes of increase in grain intensiveness also appeared, particularly in recent years. In the first 4 years of the current 10-year period the increase in the consumption of concentrated fodder amounted to 7.3 million tons, and then in the next 4 years it was 2.2 million tons; on the other hand, the increase in animal production was, respectively, 135 million and 120,000 tons. In relation to the increase in the consumption of concentrated fodder, the increase in animal production in the second period was three times smaller than in the first period. This was brought about not so much by the increase of the share of more grain-intensive animal production in the sectors of socialized economy, because an increase in this share had also occurred in the preceding period (in 1970 this share

amounted to 12.0 percent, in 1974 to 16.2 percent, and in 1978 to 21.7 percent), as by the exceptionally large increase in the consumption of concentrated fodder per animal production unit in those sectors. The changes in the consumption of concentrated fodder per animal production unit (in kg per kg of conversion meat) were in individual sectors of agriculture as shown in Table 3.

Table 3

(1) Sektory rolnictwa	1974 r	1978 r	(2) Przynrost
(3) Rolnictwo ogółem	2.83	3.23	0.30
(4) Gospodarka nieuspołeczniona	2.78	3.43	0.65
(5) Gospodarka uspołeczniona	3.67	4.69	0.99
(6) w tym:			
(7) państwowe gospodarstwa rolne	3.54	4.20	0.66
(8) rolnicze spółdzielnie produkcyjne	3.07	3.97	0.90
(9) kółka rolnicze	3.19	8.49	3.30
(10) tużarnie resortów nierolniczych	3.94	7.77	2.23

Key:

- | | |
|---------------------------|---|
| 1. Sectors of agriculture | 7. State farms |
| 2. Increase | 8. Agricultural producer cooperatives |
| 3. Agriculture total | 9. Agricultural producer circles |
| 4. Nonsocialized farming | 10. Livestock-fattening farms of the nonagricultural ministries |
| 5. Socialized farming | |
| 6. Of which | |

Such a large increase in the consumption of concentrated fodder per animal production unit in sectors of socialized farming was a result of the development of animal production having occurred more rapidly than the increase in domestic fodder production. Consequently, an increase in animal production at that time (361,000 tons, i.e., 36 percent) could be achieved mainly at the cost of an increase in the consumption of concentrated fodder (2.5 million tons, i.e., 82 percent). As calculated per unit of increase in animal production, the increase in the consumption of concentrated fodder in sectors of socialized farming (i.e., without the livestock-fattening farms of the nonagricultural ministries) amounted to 6.94 kg, e.g., twice the average consumption in the initial year (3.47 kg).

The increase in fodder consumption on livestock-fattening farms of the nonagricultural ministries resulted mainly from the appearance of a new type of production, namely, in-plant livestock-fattening farms, on which the consumption of fodder per animal production unit was 8.75 kg.

The unit consumption of concentrated fodder in agricultural producer circles and on in-plant livestock-fattening farms, which is over two times higher when compared with state and cooperative farming, can only be regarded as a manifestation of inefficient management. If, besides, we consider the fact that the consumption of concentrated fodder in both these forms of production was 1.3 million tons in 1978 (while meat production was 152,000 tons), then, in comparison with state and cooperative farming, which are characterized by relatively high grain intensiveness,

the extensive consumption of concentrated fodder amounted to approximately 650,000 tons, out of which over 150,000 tons of meat could have been additionally produced.

From the above data, it follows that by eliminating the most ineffective forms of animal production (if there are no prospects for their visible improvement) and by adapting the increase in animal production in state and cooperative farming to the growth of their own fodder base, we should be able to bring about a reduction in the present excessive grain intensiveness of animal production in all socialized farming. In private farming, on the other hand, because of the application of more traditional technology of animal nutrition, the grain intensiveness of animal production may slightly increase or even be maintained at the present level. Proof of this can be the fact that after a sharp increase in the consumption of fodder per animal unit in 1970-1976 (from 2.4 to 2.94) there has been a drop in the grain-intensiveness of the latter. This has resulted both from an increase in the price of concentrated fodder in 1976 and from adaptation of animal production to increase in domestic fodder supplies as a result of, among other things, introduction of controls on the use of concentrated fodder and thus limiting the growth of farms on which the scope of animal production exceeded the possibilities of fodder production there.

With no change in the grain intensiveness of animal production in both sectors up to the year 1985, and with an increase in the share of socialized farming in this production from 21.7 to 28.0 percent, consumption of concentrated fodder per animal production unit in our entire agriculture would increase from 2.23 to 3.35 kg, and in absolute figures from 19.7 to 23.6 million tons, i.e., by 3.9 million tons, 0.9 million tons of which would be acquired through shifting animal production between the sectors.

Now let us examine what grain supplies will be available to us in 1985 and how much grain we will be able to earmark for fodder for livestock for industrial processing and, consequently, what grain intensiveness of animal production our farm economy will be able to afford. With an increase in grain yield to 32 quintals per hectare, and with the present grain sowing area (approximately 8 million hectares), we can produce 25.6 million tons of grain. Together with imports (4.2 million tons), grain supplies would amount to 29.8 million tons. At present, the difference between the grain supplies and the quantity of concentrated fodder used for fattening livestock for industrial processing is approximately 9.5 million tons (this i'cm includes consumption, sowing, horse feeding, natural losses, and an increase in supplies which amounts to at least 50 percent of the annual increase in consumption of concentrated fodder). Because of a decline in the number of horses, this difference will decrease to approximately 8.8 million tons in 1985. Consequently, it will be possible to earmark 21.0 million tons for fodder for livestock for industrial processing, or, if we consider an increase in nongrain components of domestic concentrated fodder, approximately 21.2 million tons, i.e., 2.4 million tons less than would follow from the demand as calculated above with no change in the grain intensiveness of animal production in both sectors of farm economy. The deficit in our country's grain balance, caused by the present grain intensiveness of animal production, can be resolved by us in 1985 either through increasing fodder imports or through limiting the increase in animal production, or else through increasing domestic grain production. For obvious reasons, only the last alternative can be taken into account.

As we have pointed out already, we cannot anticipate in 1985 any increase in grain yields above 32 quintals per hectare (disregarding, of course, any increase of an incidental nature). For this reason also the only real way to increase grain production is to increase the sowing area. Besides the increasing demand for fodder, there is another important argument in favor of increasing the grain-sowing area. As we have already mentioned, the rate of increase in grain yields in the entire world is much higher than the rate of increase in the yields of other crops. This also occurs in our agriculture. The average rate of increase in the yields of all crops, calculated according to the trend, was approximately 2.6 percent annually in the years 1950-1978, but that of grain yields was 2.9 percent, while that of other crops was 2.4 percent, with a visibly decreasing rate in the yields of the latter, namely, 2.8 percent in the first half of that period and 2.0 percent in the second half. Despite the fact that, for previously discussed reasons, the rate of increase in grain yields in the coming period will be lower than in the present one, it will nevertheless be much higher than the rate of increase in the yields of other crops. This results from the fact that by increasing the grain-sowing area we weaken the tendency toward a decreasing growth of land productivity and thus we attain a higher rate of increase in yields and harvests than that which is attained with a stable share of grains in the structure of sowing.

Increasing the grain cropland area has long been recognized in our country as an economic necessity, but--contrary to appearances--this is not an easy problem to solve. Despite the fact that one of the tasks of the five-year plan of 1976-1980 was to increase the grain sowing area to 8.5 million hectares, the latter continues to barely approach 8 million hectares (in 1978 it did not even reach 7.9 million hectares). Proof of the potential capabilities of increasing the grain area can be, for example, its present share in the structure of sowing which amounts to approximately 57 percent in private farming and 43 percent in socialized farming, the share of state farms being barely 41 percent. This situation is a consequence of the hitherto developed model in socialized farming which--if we are to alleviate the deficit in our grain balance--must undergo a change in the direction of adapting it to grain farming, for which our large-area farming is especially suited. This requires setting up the level and structure of animal production in socialized farming in such a way as to obtain surpluses of commercial grain for the needs of the entire national economy, including also development of livestock breeding by small farmers who do not have sufficient quantities of their own grain. Because at present the consumption of concentrated fodder by livestock for industrial processing in socialized farming considerably exceeds domestic grain production, which--in view of a decrease in imports--we will not be able to afford in the 1980s. Thus, in 1978 the consumption of concentrated fodder in relation to total grain production looked in the individual sectors of our agriculture as follows:

	(in percent)
Agriculture total	91.4
Private farming	80.2
Socialized farming	120.5
of which: State farms	108.1
Agricultural producer cooperatives	144.7
Agricultural circles	106.1

Increasing the area of grain sowing to 8.5 million hectares would make possible an additional grain harvest increase of at least 1.6 million tons in 1985, i.e., to 27.2 million tons, and an increase in the consumption of concentrated fodder to 22.0 million tons. With this quantity of concentrated fodder, consumption per conversion unit of animal production would amount to 3.23 kg, i.e., exactly the same as in 1970. The conclusion is that if we want to attain the assumed increase in animal production we cannot afford to maintain the present level of the grain intensiveness in sectors of socialized farming but we must lower it from 4.69 to 4.21 kg. In the light of the previously discussed reasons for the present excessive consumption of concentrated fodder, this is entirely realistic.

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Of course, a decrease in the grain intensiveness of animal production will not occur automatically, but--besides application of appropriate economic incentives--it requires a number of operations aimed at increasing the efficiency of management of the existing supplies of fodder, both of the concentrated and of the bulk type. At present, losses of nutritional ingredients, e.g., in green fodder between the field and the feeding trough are estimated at approximately 30 percent. Reducing these losses requires comprehensive mechanization of harvesting and storage. A quick and radical solution of this problem is an indispensable condition for improving the effectiveness of fodder management in our country. It is true, losses of nutritional ingredients are smaller in grains than they are in bulk fodder, but they are still considerable because of lack of suitable storage facilities, especially on state farms. Hitherto no storage facilities have been constructed, on the assumption that almost all the grain crop would be sold and that state farms would purchase ready fodder mixes. This assumption has been abandoned for social reasons; on the other hand, state farms are deprived of the possibility of suitably storing grain, which increases (statistically but not actually) consumption of grain per animal production unit.

One of the essential factors in limiting consumption of concentrated fodder in all sectors of our agriculture is basic improvement in the quality of concentrated mixes being supplied to our agriculture. The difference between the prescribed formula and the actual content of the mixes, their frequently poor quality, lack of proper supplement of mineral ingredients (which we have in abundant supply: chalk, salt), cause their excessive and ineffective consumption. There are many reasons for this: the technical backwardness of the majority of plants, irregular deliveries, changes in the assortment or quality of components being supplied to plants, pursuing the goal of quantity at all cost (fulfillment of the plan) regardless of quality (for which the plant practically is not responsible--with the exception of visible poisoning of animals), and the fact that the fodder industry is a part of various organizational structures (lack of one responsible manager on the national scale). Consequently, the situation in this industry requires basic changes.

From the possibilities of increasing agricultural production up to 1985 which we have presented, and from some of the conditions for this increase, it follows that the coming 5-year period will be a difficult one for our agriculture, because it will require a departure from many tried and proven patterns of action; moreover,

it will require basic changes in the system of organization of production (and, consequently, of management) in the socialized sector, introduction of instruments of economic (instead of command-type) action upon socialized farming, as well as improvement in the system of acting upon private farming (prices, credits, contracting).

FOOTNOTES

1. The rate of harvest increase (2.4 percent annually) is somewhat lower than the rate of yield increase (approximately 2.6 percent) because of regularly decreasing cropland area.
2. Not including horsemeat and venison.
3. From the fodder balances of the Main Statistical Office (GUS) for 1966-1970 and 1971-1975 it follows that the extent of theoretical fulfillment of the demand for fodder (including horse fodder) from fodder supplies amounted to 102.5 in the first period and to 107.6 in the second. This indicates a 4.8 percent decrease in the technical effectiveness of the fattening process.
4. The hitherto used categories of gross and net final production characterize, it is true, the situation in agriculture from the viewpoint of its production results; on the other hand, they do not characterize sufficiently the results of agriculture from the viewpoint of a country's food economy. The reason is that gross final production includes the value of food products sold by agriculture which are subsequently purchased in the form of means of production; on the other hand, net final production does not include the value of imported fodder which is included in the value of the final agricultural product. Thus the values of these production categories differ from the value of the final agricultural product which can be earmarked for meeting a country's nutritional needs regardless of whether it was made from a country's own farmland or from imported fodder. At the same time, it is of no significance whether imported grain was earmarked for direct consumption by the population or for fodder in agriculture; the only important thing is the final balance of turnover between agriculture and the national economy. Consequently, it is necessary to introduce an additional category defining the value of the final agricultural product which represents for the national economy the available product either in the form of a ready food product or raw material for food production (including a certain quantity of the final agricultural product which is earmarked for the needs of light industry, e.g., wool, plant fibers, hides). We have given this category a conventional name of "available agricultural product."
5. With the exception of the consumption of milk which, in accordance with current estimates, are based, among other things, on trends in highly developed countries, was assumed to be at too high a level (540 liters including butter). In most European countries in which the consumption of meat is approximately or over 85 kg per inhabitant, the consumption of milk and processed milk products does not exceed 430 liters; only in Finland does it amount to approximately 600 liters, but with the consumption of 53 kg meat per inhabitant. It is

estimated that with the consumption of 85 kg meat per inhabitant in 1990 the consumption of milk and processed milk products in our country should not exceed 500 liters, while with 90 kg meat it will amount at the most to 470 liters.

6. Consumption of animal products would amount to a total of approximately 7.1 million tons, and when calculated per inhabitant (39.1 million people) it would be almost 182 kg, i.e., it would increase approximately 9.5 percent in relation to 1985.
7. These problems were discussed in an article by A. Wos in the May issue of *NOWE DROGI*.

Structural Changes, Investments

Warsaw *NOWE DROGI* in Polish No 7, Jul 79 pp 99-112

[Article by Anna Szenberg and Leszek Wisniewski]

[Text] Characteristic of recent years in the development of our agriculture are great changes in farm land use: while farmland area is shrinking in private farming, it is increasing in socialized farming. This changeover in farmland ownership has shown a growing tendency. While in the 3-year period 1972-1974 the farmland area available for transfer to the State Land Fund (PFZ) had been 590,000 hectares, in 1975-1977 it was 920,000 hectares. As a result, the share of socialized farming increased from 16.6 percent in 1970 to 23.7 percent in 1978, and the share of private farming decreased correspondingly.

Starting in 1977, we have been observing a decrease in farmland area being transferred [to the PFZ] from private farms. In 1975 and 1976 this area had been in excess of 300,000 hectares annually; on the other hand, in 1977 it was 210,000 hectares, and 180,000 hectares in 1978. This is related to the retirement law now in effect. Many retirement-age farmers are delaying the transfer of their farms until they are paid retirement benefits which are based on the new principles, i.e., until 1980. In subsequent years, we ought to expect a renewed increase in farmland availability from private farms. This, nevertheless, will prevent us from reaching in 1980 the originally "planned" extent of socialization of farmland. Instead of the assumed 29 percent of farmland socialization we will probably reach 25.5 percent at the most. This will require a revision of the assumptions for the 1981-1985 period.

The rate of area expansion of socialized farming has not been identical in the individual regions. The share of socialized farming has increased most in those regions in which it has been the largest from the very beginning (the southwestern and northern part of our country) and it has been slowest to increase in the least socialized regions (the eastern and southeastern part of our country). As a result, the extent of farmland socialization has been, and is, very uneven in our regional structure.

Recent years have brought some changes in the distribution of PFZ farmlands within the framework of socialized farming. During the whole period under discussion (1971-1978), the share of PGR in the increase of farmland area was approximately

50 percent, the share of agricultural producer cooperatives (RSP) was 24 percent, and the share of cooperative farms (ZGR) was 26 percent.

In recent years, the transfer of farmland to ZGR has been stopped, which appears to be an essential factor in increasing the efficiency of farmland management in view of very high outlays and very poor economic results on those farms. The rate of farmland area increase on PGR has also been slower recently, which should permit better utilization of transferred farmland. The cropland area in RSP has been increasing at a rapid rate (approximately 20 percent). In part, these lands have augmented the area of existing ones and, in part, new RSP have been established on them. Of particular interest is the dynamic growth of the number of new RSP: while in 1971-1975 approximately 60 were established annually, as many as 330 have been established in the last 3-year period. This proves that in the general process of development of socialized farming there has been an increase in the role of conscious and voluntary decisions by private farmers who are changing over to the socialized form of farming.

Likewise, the distribution of farmland which "falls out" between the socialized and the private sector underwent essential changes during the period under discussion:

The changes in the farmland distribution reflect the changes in farmland policy. After 1973, in which 90,000 hectares were sold to private farmers for the purpose of improving the agrarian structure, there was a sharp curtailment in farmland sales which persisted to 1976 inclusive. In the last 2 years, sale of farmland from the PFZ has been resumed again, and in 1978 the 1973 level in absolute figures was reached.

Nonetheless, progress in improving the land area structure of private farming has not been satisfactory. Insufficient use for this purpose has been made of both the objective conditions in the form of fairly considerable availability of farmland for sale, and particularly convenient arrangements regarding farmland turnover as well as preferred treatment by the state, as a matter of policy, of all farms which increase their area. The farmers' demand for farmland in that period was larger than the area of farmland available for sale. As estimated, less than 50 percent of this demand is being met at present.

We also have some reservations about the regional policy which is being followed in distribution of farmlands from the PFZ. A study of this problem in 1975-1977 showed that the share of private farming in PFZ farmland distribution was very differentiated in individual regions while these differences did not appear to have any logical connection with the need to improve the agrarian structure. In regions with the unsoundest structure 9-14 percent of all the transferrable land was being sold, while in those with decidedly better agrarian structure the land sales represented 38-47 percent of all the land available to the PFZ. As a result of this kind of management, the PFZ farmland resources decreased very slowly (in 1971-1977 from 1,065,000 hectares to 871,000, i.e., 18 percent), and in some regions they even increased, the paradox consisting in the fact that they increased in regions with greatest farm subdivision and thus where improvement in farm area structure requires a relatively large quantity of farmland.

At the same time, we should realize that PFR farmland turnover is becoming ever more important in farmland turnover in Poland as a whole. This results from the fact that most farmers who decide to liquidate their farm business do it through turning their farmland over to the PFR. In 1971-1978 over 220,000 farms were liquidated in this manner. In connection with this, the state concentrates in its hands the largest farmland resources which changes its user.¹

The essential causes of minimal progress in improving the agrarian structure in the 1970s are: insufficient attention to the needs of private farmers, and, in some regions, insufficient efforts to create demand for farmland by peasant farms.

Despite the percentage configuration of farms having changed very slightly, a tendency toward polarization of agrarian structure is being observed. This is reflected in the increase in the share of peripheral groups. If the increase in the share of the 0.5-2 hectare group is--in principle--justified by the fact that most farms turned over for retirement benefits have shifted to it, then the decrease in the share of 5-7 hectare and 7-10 hectare groups is a negative tendency under our conditions. For it proves that the intensified dropping of heirless farms out of these groups has not been compensated for by the influx of augmented farms from smaller farm area groups. Simultaneously, the average area of a farm (counting from 0.5 hectare) has decreased from 4.9 to 4.7 hectare, and that of a farm over 2 hectares has barely grown from 6.3 to 6.4 hectares.

Consequently, we continue to be in the initial stage of the implementation of the task of improving the structure of private farming, and our efforts thus far have proven ineffective. Meanwhile, the need for this improvement is being felt more and more. During the 35-year history of People's Poland, peasant farming has undergone profound changes. Farm production from a farm area unit has grown more than twofold and the technical facilities of the farms have increased manifold; enormous changes have occurred in the technology of agricultural production, and there has been a change from private to cooperative farming.

The area which has changed least is the agrarian structure. As a result, a certain disproportion has formed between progress already made in productivity, technique and technology, on the one hand, and the backward agrarian structure, on the other. On many farms, their too-small area is becoming the main obstruction to their development. As we know, harmonious development, in this case, within the scope of all the factors of farm production, is a condition for progress; consequently, radical changes in the agrarian structure are needed so that peasant farming may continue to develop. These changes are all the more necessary since in view of our society's needs we not only must maintain the present rate of increase in the productivity of private farming but we must considerably accelerate it. Meanwhile we see little or no response from many farms to economic incentives which are being created by government policy; this is often caused by the fact that the small land area of a farm creates a barrier to an increased production scale. Consequently, the endeavor to make our agriculture produce more every year and in high quality, and for it to be dynamic and modern, requires radical improvement in the agrarian structure. This will be, in the area of structural changes, one of the basic tasks of next five-year plan, all the more so that the difficult situation in the entire national economy makes it mandatory

to activate these reserves of farm production which are, relatively speaking, the least expensive socially.

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In 1981-1985 we anticipate the continuance of the moderate rate of socialization of farming. This will be related to the following matters:

- improvement in the demographic structure of farm population;
- decrease in the farm population drain;
- slowing down of the rate of transfer of farmland from private farming;
- increased plans for sales of farmland to private farming.

The above-mentioned moderate rate of socialization of farming is also justified by difficulties in the market of industrial means for farm production, especially farm machinery and tractors. Although the plan should not set any guided tasks in this scope, to be oriented in this matter is an absolute necessity for realistic planning of the size and structure of the flow of appropriate funds to agriculture.

There is a very close relationship between the rate and forms of improvement in our agriculture and the flow of funds. If securing an appropriate flow of funds to agriculture is not going to be possible, then it is better not to accelerate structural changes, inasmuch as this will jeopardize both the rate of increase in production and the very improvement of agriculture. The basic guideline of the plan should be maintenance of a proportion between tasks in the area of improvement and the flow of funds to agriculture.

We anticipate that the extent of socialization of farming as measured by its share of farmland will increase 4.9 percent, i.e., from 25.5 percent in 1980 to 30.4 percent in 1985. The average annual rate of increase of farmland in socialized farming will amount to 3.2 percent (as compared with 3.4 percent in 1976-1980). Within the framework of socialized farming there will be an increase in the share of the co-operative sector (RSP and ZGR combined), in which the increase in farmland area will be relatively larger than in state farming (respectively, an average of 4.2 percent and 2.8 percent annually). Despite this, the absolute quantity of farmland which will be taken over by PGR during that time will be over twice as large as that which will fall to the share of cooperative farming (560,000 and 250,000 hectares, respectively). As a result, by the end of the 5-year period the share of PGR in the whole farmland area in our country will be over 23 percent, while that of cooperative farming will be over 7 percent (Table 1).

In macroregional projections of socialization of farmland, the processes of change in 1971-1978 have been accepted as the starting point. However some revisions have been made, consisting in the acceleration of these processes in regions which heretofore have lagged in this regard, and in the acceptance of a fairly slower rate of change in regions where the extent of socialization is today the largest. As a result, the present divergencies between regions will continue to exist during the entire 5-year period, though they will be somewhat attenuated (Table 1).

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Table 1. Changes in Farm Land Utilization in 1971-1978 and Projections for 1985

(1) Wyszczególnienie	1971 r.	1975 r.	1978 r.	1985 r.
	(2) w tys. ha			
Cala rolnictwa (3)	19400	19200	19070	18870
Gospodarka indywidualna (4)	15824	15179	14445	13960
Państwowe Gospodarstwa Produkcyjne (5)	350	334	347	370
Państwowe Gospodarstwa Rolne KZ (6)	114	113	123	130
Państwowe Gospodarstwa Rolne (7)	3050	3293	3320	3310
(8) W procentach stanu rolnictwa = 100%				
Gospodarka indywidualna (4)	81,1	79,0	76,3	74,0
Państwowe Gospodarstwa Produkcyjne (5)	1,8	1,7	1,8	1,9
Państwowe Gospodarstwa Rolne KZ (6)	0,6	0,6	0,6	0,7
Państwowe Gospodarstwa Rolne (7)	15,4	17,3	18,5	19,1
Regiony (10)	(9) Stopień uposażania ziemi w proc.			
Środkowo-zachodni (11)	1	24,5	27,9	30,0
Środkowy (12)	2	3,9	7,7	11,0
Środkowo-wschodni (13)	3	8,0	7,0	13,0
Południowo-wschodni (14)	4	8,1	8,9	10,0
Południowy (15)	5	18,9	21,9	30,0
Południowo-zachodni (16)	6	41,0	40,0	54,0
Północny (17)	7	51,3	55,0	61,0
Północno-wschodni (18)	8	20,4	23,7	20,0

Years	Farmland transfer to:	
	Socialized farming	Private farming
	in percent of all farmland transferred to PZ	
1973	14,3	85,7
1974	18,9	81,1
1975	25,4	74,6
1976	31,0	69,0
1977	35,0	65,0
1978	50,0	50,0

Key:

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|--|--|
| 1. Itemization | 9. Extent of farmland socialization in percent |
| 2. In thousands of hectares | 10. Regions |
| 3. Agriculture total | 11. West central |
| 4. Private farming | 12. Central |
| 5. Agricultural Producer Cooperatives | 13. East central |
| 6. Cooperative Farms of Agricultural Circles | 14. Southeastern |
| 7. State Farms | 15. Southern |
| 8. In percent (agriculture total = 100) | 16. Southwestern |
| | 17. Northern |
| | 18. Northeastern |

a--Not including state and public lands which are not farms and which amounted, in thousands of hectares, to: 274 in 1971, 181 in 1975, 114 in 1978. For 1985, we have assumed 100 (thousands of hectares).

In the next few years, we will have to take into account a decrease in the rate of transfer of farmland from private farming. Moreover, this process will be uneven. We should expect its greatest intensification in 1981-1982 as a consequence of the retirement system being put fully into effect. As a result, there will be a beneficial change in the demographic structure of farm managers and subsequent years will bring another deceleration of the process of disappearance of farms, in connection with the decrease in the rate of appearance of new farms without heirs.² The decreased opportunities for nonfarm employment will have a similar impact, at

least until the appearance of a demographic depression which anticipates a considerable decrease in the number of young people attaining production age. We estimate at 3-4 percent the average annual decrease in the number of farms over 2 hectares, which will bring about a decrease in their number by approximately 300,000 during the next 5-year period.

The areawide and economic expansion of the socialized sector must be accompanied by a parallel development of private farming and improvement in its agrarian structure. For this reason, the distribution of farmland released by private farming should aim both at expanding the socialized sector and at improving the agrarian structure of peasant farming. In the 1981-1985 period, we foresee the need to alter the existing proportions in this area. This is related, among other things, to the fact that after 1980 there will be an almost twofold increase in the number of young managers of private farms, among whom the demand for farmland is particularly large (according to research by The Institute of Agricultural Economy [IER], every other potential farm successor intends to expand the area of his farm by 5 hectares on the average). To achieve the anticipated improvement of the agrarian structure, it will be absolutely necessary to earmark approximately 150,000 hectares annually for private farmers, i.e., approximately two-thirds of the entire anticipated farmland available from private farms.

Thus, the improvement of the agrarian structure of private farming will proceed in two ways: through a decrease in the total number of farms (an objective process) and through increasing the area of farms which have prospects for development (a process dependent on policy).

The improvement of the agrarian structure can be influenced, unfavorably or favorably, by the selection of farms. From the existing determination it follows that three groups of farms will "fall out": those lacking successors (approximately 65 percent), peasant-and-worker type of farms (approximately 25 percent), and economically declining farms which are being liquidated by administrative order (10 percent). Consequently, it is the group without successors that will determine the farmland area structure of those farms which fall out. We know from the 1976 list of the Main Statistical Office [GUS] that there is a relatively larger number of those farms in larger farmland area groups. Therefore, in the future we should expect larger "screening out" in smaller farmland area groups, which would be very beneficial for the agrarian structure, because the latter would improve, as it were, "automatically." The probability of such a tendency, however, is not great, because--as proven, among others, by IER research--it is known that the lack of successors occurs with greater frequency in the group of predominantly agricultural farms which are mostly medium-sized or larger. This represents a certain danger of the continued existence, at least for some time, of the present farmland area structure of falling-out farms (in 1977 and 1978 approximately 40 percent of these consisted of farms of over 5 hectares each), which has a very unfavorable effect on the agrarian structure. To counteract this, it is absolutely necessary to reorient vocationally at least some farm youth. Actions in this area thus far have proven ineffective. The farming profession is continuing to lose ground in competition with other professions, and its popularity is decreasing not only among youth but also in the minds of the older rural generation.⁴

A more "proagriculture" vocational orientation of the young generation can result only from a more active and consistent policy aimed at decreasing the disparity in income and the differences between living and work conditions in private farming and conditions in other branches of our economy. In such a concerted action, improvement of the agrarian structure is a most essential element. Only under such conditions will it be possible to upgrade the farming profession and, consequently, to stop the falling-out of farms in the larger farmland area groups.

Peasant-worker farms will be the next most numerous group to fall out. This will be, on one hand, a result of a one-track vocational orientation and, on the other hand, of the retirement of the present peasant-workers. However, from the above we should not conclude that this group will decrease. New peasant-worker farms will replace those falling-out. We can even surmise that their number in the small and medium groups will increase, which is suggested by the present professional structure of candidates for successors (on the average, in all peasant farming 40 percent of potential successors earn a steady income outside of the farm), as well as by the upward shift of the social and economic farmland area minimum with regard to families which support themselves exclusively by farming.

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A certain part of the natural process of selection of farms, and of farmland area changes, will take place within the framework of peasant land turnover. We expect an intensification of tendencies toward improving the agrarian structure by turnover between neighbors, particularly in the regions of central, eastern, and south-eastern Poland. In this area, an enormous task is being faced by local authorities which at present have also practically acquired the rights to control and guide this part of farmland turnover. What matters is how to facilitate this type of transaction, how to implement it efficiently and rapidly, and how to lend technical and financial support to those farms which increase their area. However, private turnover will not be sufficient to assure a significant rate of increase of the average area of a private farm, because this turnover includes at the most 60 percent of all the farmland available for sale. The remaining farmland will be at the disposal of the PFZ and the manner of its distribution will be crucial to the progress in the improvement of the agrarian structure.

We anticipate that in the years 1980-1985 the area of private farming (not including the farm area group of up to 2 hectares) will decrease by 8 percent (from 13.3 to 12.2 million hectares) and the number of private farms will decrease by 16 percent (from 2.0 to 1.7 million).

Under conditions of the active influence of a farm policy on the improvement of the agrarian structure, there is a real chance of increasing the average area of a farm (of over 2 hectares) from 6.5 to 7.1 hectares. True, this increase will not be large, but it will be accompanied by essential changes in the present structural arrangement. The number of farms in the farmland area groups of 2-5 hectares and 5-10 hectares would decrease 20-21 percent, while the number of farms over 10 hectares would increase 4 percent. As a result, every fourth private farm will own over 10 hectares of farm land, and this group will then be utilizing more than half (54 percent) of all the peasant farmland (6.6 million hectares), while at present it utilizes 38 percent.

To be sure, we assume that the improvement of the agrarian structure will take place in all regions of our country, but already large structural differences between regions imply the continued existence of regions with lesser or greater farmland subdivision, with varying average area of a farm, and with varying importance of large farms.

Improvement in the agrarian structure will be accompanied by a decrease in employment. We assume that the drain of people from agriculture (as a result of migrational and nonmigrational exodus) will be, in absolute figures, somewhat smaller than at present, but relatively (in view of the sharp decrease in the number of farm youth entering productive age) it will be larger and will have a greater impact on the level of employment. The level of employment in peasant farming will also fall as a consequence of partial deactivation of persons of post-productive age who will retire. The entire anticipated decrease in employment of fully employed persons will amount to 3 persons per 100 hectares, i.e., 11 percent. This means that the average level of employment per 100 hectares on farms over 2 hectares will be 23 persons in 1985 (vs 26 persons in 1980). Generally, then, the supply of labor force will be somewhat smaller but its structure (quality) will improve.

The decreased employment will have a particularly strong impact on large farms (over 10 hectares) on which this level is low even now (17 fully employed persons per 100 hectares) and will decrease to 13-14 persons. In this situation the production and economic results of these farms will depend on the supply of farm machinery and tractors. The increased pressure of this farm group on industrial means of production will be related not only to the fact that these farms are large but also to the fact that most of these farms will be managed by young persons (it is here that we expect the greatest impact of the retirement system) who will make a permanent commitment to farming only on the condition that they be given the means and the opportunity to thoroughly modernize their farms.

The necessity of adopting new technology and the urgent need for a basic change in the relationship of production factors will be strongly evident on cooperative farms and on specialized farms. The anticipated number of larger farms specializing in animal production will be approximately 200,000. They will be farming approximately 30 percent of peasant farmland, and their share of goods production will be correspondingly large. The development of specialization in peasant farming will require considerable expansion of cooperative production agreements with socialized farming enterprises and assuring permanence and stability to this form of co-production. Through specialization and cooperation with enterprises of socialized farming, private farms will be ever more closely linked with the whole system of socialist economy, which should assure a more stable increase in production in agriculture as a whole.

We need to take into account the fact that the internal differentiation of peasant farms will continue to increase and that besides very productive farms there will continue to exist traditional farms with a low level of production and productivity, concentrated mostly in smaller farmland area groups. This process cannot be prevented; however, its negative effects must be lessened. For this purpose, it would be advisable to develop concerted actions aimed at creating a proper climate for the production needs and plans of these farms and to create conditions favoring their development.

Table 2. Changes in Farm Land Area Structure 1971-1976

Zmiany w strukturze obszarowej 1971—1976						
(1) Lata	2)	Procent gospodarstw w poszczególnych grupach obszarowych				
		0,3—3	3—5	5—7	7—10	10 i więcej
1971		27,8	31,4	14,2	14,0	12,6
1977		30,9	30,3	13,1	13,8	12,9

Key:

1. Years
2. Percent of farms in individual farmland area groups

Source: Statistical Yearbook of Agriculture and Food Economy, 1976.

Table 3. Anticipated Changes in Agrarian Structure in Group of Farms Over 2 Hectares

Przewidywane zmiany w strukturze agrarnej w grupie gospodarstw powyżej 2 ha						
(1) Makroregiony planowania	2) Udział grupy powyżej 10 ha				5) Przeciętny obszar gospodarstwa	
	(3) w liczbie gospod.		(4) w ziemi			
	1977 r.	1985 r.	1977 r.	1985 r.	1977 r.	1985 r.
Środkowo-zachodni 6)	33,5	47,4	62,1	73,4	6,2	9,7
Centralny 7)	18,8	23,9	39,0	51,6	6,1	7,2
Środkowo-wschodni 8)	12,6	30,9	32,2	45,3	5,5	6,5
Południowo-wschodni 9)	4,0	5,5	11,7	13,0	4,1	4,8
Południowy 10)	8,7	12,8	24,2	35,5	4,6	5,9
Południowo-zachodni 11)	23,8	35,3	46,1	61,4	7,2	8,8
Północny 12)	43,9	61,7	74,3	86,9	9,2	10,5
Północno-wschodni 13)	44,0	55,7	70,6	78,9	8,7	9,7

Key:

1. Macroregions of planning
2. Share of group over 2 hectares
3. In number of farms
4. In farmland
5. Average area of farm
6. West central
7. Central
8. East central
9. Southern
10. Southern
11. Southwestern
12. Northern
13. Northeastern

One of the essential structural changes within peasant farming will be a change in the characteristics of the group of families which operate farms with a land area of 0.5-2 hectares. Even at present the characteristics of this group differ⁵ from those of other farms and this tendency will become even more pronounced in the future. In connection with this, in our projections we treat these separately as farm plots and not as farms. In the 5-year period 1981-1985 their number will increase by 15 percent (from 1 million in 1980 to 1.15 million in 1985) due to the fact that in place of departing families (migration, loss from natural causes) this group will be augmented by new families, originating mostly from the transformation of peasant-worker farms belonging to retirees and pensioners, both farmers and nonfarmers, and from new families settling in the rural area. The average area of a farm plot will decrease (from 0.9 to 0.6 hectares), and their share of peasant land will not exceed 6-7 percent.

Worker families living in the rural area will require special policy in the field of employment. Our concern is to link this group ever closer with the rural area and with agriculture, which simultaneously will produce obvious benefits for agriculture (service to pre- and post-production segments) and for the rural population (creation of the technological and social infrastructure of the rural area) and for the entire economy (reduction in commuting to work).

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A strategic point of the five-year plan must be the search for possibilities of accelerating the rate of increase in agricultural production.⁶ An appropriate increase in the flow of funds to agriculture from outside should be recognized as the basic condition for such acceleration. This need results both from the increase in capital consumption by agricultural production, which is a characteristic trait of modern highly developed agriculture, and from the fact that in the coming years there will be essential displacements of production from the peasant economy, which is characterized by traditional labor-consuming methods of production, to the socialized economy, in which there is an ever wider application of modern--and by their very nature--laborsaving production methods. These two factors--the rate of increase in production and the rate of structural changes in agriculture--will determine, in the years 1981-1985, the size and material structure of the demand for production assets of nonagricultural origin.

In order to determine the investment needs of agriculture, it is indispensable to previously determine both the share of individual sectors in farmland use and the probable changes in agriculture. The anticipated changes in farmland utilization (Table 1) and an analysis of demographic trends as well as of the total balance of employment in the national economy, enable us to foresee that individual employment (measured by the number of employed persons per 100 hectares of cropland) will substantially decrease only in private farming. This does not mean that in the next few years the relations between the basic production factors will be constant in agriculture as a whole. Increase in the value of capital goods and assets for production, with relatively stable farmland supply and the decreasing total of labor force in agriculture, will mean a change in the relationship between assets and land, on one hand, and assets and labor, on the other.

From the detailed projections of demand for fixed assets in agriculture, prepared in the IER, it follows that with the assumption of 30 percent of farmland socialization in 1985, the replacement value of assets in agriculture will have to be 25 percent higher (in 1977 constant prices) than in 1977. The increase in the value of fixed assets in 1981-1985 should be approximately 327 billion slotys. Detailed data illustrating the anticipated structure of fixed assets in agriculture are presented in Table 4.

Table 4. Anticipated Increase in Fixed Assets in Agriculture in 1981-1985 (Replacement value in prices as of 1/1/1977)

Prognosty wyposażenia rolnictwa w środki trwałe w latach 1981-1985
(wartość odtworzeniowa w cenach 1.1.1977 r.)

(1) Rodzaj środków	Wyposażenie normatywne 2) w tys zł/ha			Wartość odtworzeniowa 3) w mld zł		
	1977 r.	1980 r.	1985 r.	1977 r.	1980 r.	1985 r.
Budynki mieszkalne i publiczne (4)	29,5	29,5	31,0	582	658	581
Budynki gospodarskie 5)	36,0	40,0	51,0	695	749	812
Mechanizacja 6)	15,5	17,0	23,0	295	327	491
Pozostałe środki 7)	5,0	5,5	8,0	95	100	107
Razem 8)	86,0	92,0	111,0	1667	1734	2080

Key:

1. Type of assets
2. Standard equipment in thousands of slotys per hectare
3. Replacement value in billions of slotys
4. Residential and public buildings
5. Farm buildings
6. Mechanization
7. Other assets
8. Total

Source: Estimates of the Institute of Farm Economics on the basis of data of the Department of Investments and Fixed Assets of GUS (Main Statistical Office).

As follows from these data, in 1977-1985 the greatest increase in the fixed assets of agriculture should be in the area of mechanization (approximately 43 percent) and farm construction (37 percent). As a consequence of the decrease in total employment in agriculture in this period and of intensification of migration processes from the rural area to the urban area, the increase in available housing will be minimal, amounting to about 3.5 percent. It is anticipated that the supply of fixed assets of state farms will increase in 1977-1985 by over 51 percent, and those of producer cooperatives will increase more than twofold (a 116 percent increase).

An enormous, nearly fivefold, increase in capital goods and assets for production will occur on specialized farms. This will be a consequence not only of the considerable increase in the number of these farms and in their total land area, but also of the unit increase in their fixed assets.

On the remaining private farms, whose number as well as total area will be decreasing (cf. Table 1) there will be a decrease in all the elements of production potential, also including production assets. It is anticipated that the total replacement value of fixed assets of this group of farms in the years 1977-1985 will decrease by about 7 percent, although when calculated per hectare of cropland it will increase by over 20 percent.

The decrease in the production potential of the whole private sector will be counteracted by the development of production services for agriculture. Not only will there be an increase in the volume of rendered services but there will be also a change in their scope. The change to mechanization of increasingly more complex production processes requires special and more expensive machinery whose purchase and full utilization exceed the possibilities of a single private farm. Development of services, therefore, is for peasant farming one of the main avenues of access to the most modern technology. A similar role is played in this area by coproduction agreements with units of socialized economy.

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The uneven rate in the changes in fixed assets of individual types will bring about changes in the structure of fixed assets in agriculture. There is reason to believe that in 1981-1985 there will be further improvement in this structure, because there will be an increase in the share of all the sectors in the value of machinery and equipment as well as of farm buildings. This will be particularly evident on state farms and on private specialized farms.

The previously assumed increase, in 1981-1985, in the value of production assets by 327 billion zlotys will require expenditures in the form of investment outlays of approximately 723 billion zlotys. This amount will consist of outlays for replacement of utilized fixed assets and for the assumed increase in asset substance. The anticipated needs of agriculture in this area are presented in Table 5.

Table 5. Anticipated Investments Needs of Agriculture in 1981-1985 (in billions of zlotys, prices as of 1/1/1977)

Prognoza potrzeb inwestycyjnych rolnictwa w latach 1981-1985 (w mld zł, w cenach 1.1.1977 r.)		
(1) Wykazanie	(2) Wartość w mld zł	(3) Struktura w proc.
Inwestycje ogółem • 4)	723.0	100.0
Budownictwo mieszkalne i specjalne 5)	122.0	16.9
Budownictwo gospodarcze 6)	320.5	44.3
Mechanizacja 7)	246.8	34.0
Pozostałe środki trwałe 8)	34.5	4.8

Key:

- | | |
|--------------------------------|----------------------------------|
| 1. Itemization | 3. Structure in percent |
| 2. Value in billions of zlotys | 4. Total investment ^a |

[Key continued on following page]

[Key continued from preceding page]:

5. Residential and public construction projects
 6. Farm construction
 7. Mechanization
 8. Other fixed assets
 9. Source: Estimates of the IER
- a-- Including technical and investment services to agriculture; not including investments for basic infrastructure (power lines, transportation routes, part of waterways network, etc.)

As follows from the above data, over 60 percent of direct investment outlays in agriculture will be for construction (44 percent for farm construction), and approximately 35 percent will be for mechanization. It is anticipated that the structure of investment needs will be approximately the same in all sectors of agriculture.

Giving a general characterization of the program of investment needs for the years 1981-1985, we can assert that its structural assumptions do not differ substantially from those which were made in the construction of the plan for 1976-1980. Both plans differ essentially with regard to the absolute magnitude of the flow of outlays. This concerns, in principle, all the groups of fixed assets.

Despite the fact that, in terms of value, construction represents the largest item in investment outlays, expenditures for mechanization should be regarded as the principal group in the assumed program. True, the performed calculation shows that the rate of increase in outlays for mechanization will be slower than that in outlays for farm construction (mainly of livestock buildings), but this is related to the very high capital consumption of construction of livestock buildings in sectors of the socialized economy and does not reduce the tasks to be implemented by the machine industry. This is so because a large part of outlays which are conventionally included in farm construction is represented by machinery and equipment which constitute integral elements of an investment project.

The next five-year plan must be a breakthrough as regards mechanization of larger private farms. This concerns not only mechanization of production processes in crop production but also in animal production. The rate of increase in animal production on peasant farms will be determined not only by the fodder supply but also by the possibilities of mechanization of basic production processes (such as feeding, removal of manure, milking, etc.). This is so because decisions regarding initiation or expansion of animal production are influenced on most farms not only by the profitability of this branch of production but also by the burdensomeness of the work of taking care of animals.

Not less important a problem than the quantitative increase in farm machinery and equipment is the comprehensiveness of mechanization. Lack of it is a factor which limits the possibilities of a decrease in employment, mainly in socialized farming. This employment is of necessity adapted to the requirements of the least mechanized units of production processes. In many cases, the requirement of comprehensive mechanization will force us to import machinery and equipment which are not produced in our country. At the present stage of the discussion of the plan, it is difficult to define the size and material structure of these imports.

While formulating the investment program for the years 1981-1985, we should take into account the interdependence between outlays for interior equipment of agricultural farms (enterprises) and expenditures for exterior infrastructure. This area has been greatly neglected and implementation of precisely this portion of the tasks will condition the efficient operation of farm enterprises.

Of essential importance for an increase in agricultural production and in the rate of social and technological transformations of agriculture will be allocation of investment assets to sectors and areas. The latter should be determined, to a greater extent than heretofore, by conditions of economic effectiveness of investments. Up to now the directed distribution list has been the main, if not the only, instrument of distribution of funds regardless of production and economic results and, consequently, social results. This appears to be one of the more important causes of the higher capital consumption of increase in agricultural production than is the case in other countries. In order to avoid repeating familiar past mistakes, it is necessary to include in the program of implementation of investments, and also in the economic and financial systems of agricultural enterprises, effective mechanisms which will eliminate decisionmaking concerning investments without some kind of accounting to guarantee the desired effectiveness of outlays.

The study-type program of agricultural production for the years 1981-1985, prepared in the IER, does not take into consideration the total investment needs of agriculture. It does not include outlays for the technological infrastructure of investment construction, and particularly outlays for power and heating plants, water and sewer management and also road construction. That is why the total investment outlays on the scale of the national economy for the development of agriculture must be considerably higher. Independently of the previously discussed outlays which are indispensable for the directly production-related interior equipment of farms and which amount to approximately 723 billion zlotys, reconstruction or expansion of interior infrastructure will cost in this period approximately 200 billion zlotys. The total investment outlays of the Ministry of Agriculture alone can be estimated at approximately 950 billion zlotys.

The estimate of the investment needs of agriculture, on one hand, and of the possibilities of the national economy during the next 5-year period on the other, raises the question whether, under conditions of definite economic difficulties and the necessary reduction of expenditures for investment purposes, the presented program is, first, realistic, and, second, economically justified. The first part of the question was answered affirmatively, in an article on the strategic assumptions of the plan of the development of agriculture, by A. Wos. The investments which have been made during the current 10-year period in branches of industry which produce capital goods and production assets for agriculture--mainly in the machine industry and chemical industry--allow us to assume the possibility of a basic increase in the deliveries of these goods and assets. In this situation, the special preferences for agriculture in the distribution of production assets do not signify any deceleration of the rate of increase in the development of nonagricultural branches of the national economy. For, as is known, in the post-war development of agriculture there were few periods--with the exception of the past 5-year period--when plans of deliveries of production assets for agriculture

were fully implemented. This was the main cause of the accumulation of difficulties in increasing agricultural production and of the slowdown in the rate of social changes in the rural area. We can assert with complete certainty that in the current stage of development we are dealing with a lag in the process of providing technological equipment for agriculture. Any further postponement of basic changes in this field would increase the difficulties in the implementation of the program of feeding our country and could produce negative social results.

FOOTNOTES

1. And so, according to the data of the Main Statistical Office (GUS), in 1977 the share of PPZ lands in the total farmland by which the private farms increased their area was 75 percent, and only 25 percent of the land turnover occurred between neighbors.
2. At present we estimate that on the average there is an annual increase of 2 percent in the number of farms without successors.
3. On every other farm, the lack of successor stems from the negative attitude of the young generation toward agriculture.
4. Most eloquent proof of this is contained in the results of IER research from the years 1967, 1972, and 1975 concerning the choice of profession by parents-farmers for their children.
5. From the IER research it follows that this group includes only 11 percent of agricultural farms, 30 percent being represented by farms of retirees and pensioners, while the remaining families support themselves mostly by earned income.
6. A. Wos, "Strategic Assumptions of the Plan of Development of Agriculture in the Years 1981-1985," NOWE DROGI No 5, 1979.

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FOOD SHORTAGES INDICATIVE OF AGRICULTURAL PROBLEMS

Hamburg DER SPIEGEL in German 22 Jun 81 pp 114-116

[Article: "Make Believe"]

[Text] Mismanagement, energy shortages and poor harvests have brought on the worst food supply crisis since the war.

As soon as the potatoes in her garden get to be the size of walnuts, Eugenia Popescu, a Kolkhoz farmer from the village of Piatra on the Romanian-Bulgarian border, adds a handful of green onions, some radishes and some lettuce and cabbage to them and stows it all in a sack and then, long before dawn, takes the bus to Bucharest, a trip that takes several hours.

There, she sells her early harvest at the "Piata Amzei" central market. In two days, she grosses about 300 Lei (which comes to about 300 DM in terms of purchasing power based on hourly wages). That is not a bad deal for Mrs Popescu who earns a maximum of 500 Lei a month at her Kolkhoz, which is about as much as a factory worker earns per week.

In this sense, it definitely pays to bring such early vegetables to market. Early in the year, when fresh vegetables are in short supply, city consumers are willing to pay the high prices that prevail on all Romanian markets. One kilo of washed, tiny potatoes comes to 10 or 12 Lei; a bunch of onions or radishes or a head of lettuce sells for 2 to 3 Lei.

At the state-run shops the goods would sell more cheaply-- if they were available. But the only things growing in the Kolkhoz greenhouses in Moldavia just now are onions, radishes and lettuce which can be had for 1 to 2 Lei per kilo. Wilted and unappetizing as they are, they represent the only fresh vegetables available at the shops and state-run market stalls of the provincial cities in northern Romania.

In the south, there are cucumbers, tomatoes, green peppers and carrots on the Kolchozes which find their way to Bucharest. But the private tradesmen do better business just about everywhere.

Their offerings, which have always been washed and are kept moist, simply look more appetizing even though they have been transported to the marketplace several hundred kilometers by bus. Whatever is spoiled the dealers take care of themselves and that is something the city consumers appreciate by paying more.

Aside from fresh vegetables there is precious little food in Romania. The Polish situation has not been reached as yet; but it is not too far off. Bread and sugar are in adequate supply only in the bigger cities; milk is not regularly available even in the capital and at the butter and cheese stalls there are long queues as soon as merchandise does become available.

In the food stores, pasta and canned vegetables are in ample supply but are relatively expensive (3 to 5 Lei for half a pound) and besides they do not taste like much.

The meat counters, on the other hand, are empty everywhere. In the bigger cities like Brasov or industrial centers like Pitesti, there are three kinds of sausage to be had at 28 to 40 Lei per kilo. Now and then, bacon and smoked pork are available, but even before an order of frozen fowl arrives the lines begin to form.

Bucharest consumers are not even deterred by the price of 138 Lei for one kilo of ham. But the present prices certainly do make life difficult for single people and retirees. Double earners, on the other hand, normally have more money than they are able to spend.

Average income in Romania today amounts to about 2000 Lei per month. Thus it is not surprising that even the large hotel restaurants are preponderantly frequented by local people who spend as much as 100 Lei per person for a meat course.

The fact is that the scant supply of meat is reserved for the restaurants. Most of the meat, along with other foods, is exported to the West, to the Soviet Union as well as to Iran and Iraq. Nicolae Ceausescu's ailing economy is trying to get back on its feet in this way, at the expense of the population.

The oil price rise on the world market hit the Romanians particularly hard. The Romanian economy had always been based on its petroleum resources. Since the mid-sixties, Ceausescu invested almost exclusively in the development of the petrochemical industry, hoping to sell its products to the West for hard currency. So as to utilize the capacity of the expensive installations fully,

the Romanians imported additional oil from the Near East. Ceausescu's industrialization plans ran afoul of the oil price hikes since 1974, the ouster of the Shah and Iran's war with Iraq, which two countries represented Romania's most important suppliers.

Meantime, oil imports decreased from 15 million tons to 12.5 million and the Pitesti refineries were working at only 60 percent capacity; drastic economy measures were to offset the deficit in domestic oil production.

At this point, Ceausescu had to pay for the stubborn refusal of his predecessor Gheorghiu-Dej to become a part of the Soviet oil distribution network in 1960.

When Khrushchev attempted to relegate Romania to the position of the East bloc's vegetable patch, Romania reneged and began to pursue an independent and at times individualistic economic and foreign policy.

As late as 1980, 30 percent of Romania's foreign trade was being conducted with the capitalist West with the help of whose know-how it developed its industrial base.

But the billions of Lei which Ceausescu invested in his industrial buildup now turn out to have been a gigantic miscalculation.

Hardly anyone in the West is interested in buying Romanian technical products or consumer goods. Even the fraternally socialist GDR sent back eight of the ten Romanian-built "Dacias" (copies of the French Renault 12) because of serious defects.

The lack of material incentives is the primary reason for low work morale; adherence to Balkanese baksheesh mentality and racketeering frequently turn Romanian products into substandard merchandise; mutual theft has become a popular pastime, injurious to the economy.

In the Bukovina region, for example, the selfsame bridges collapse year after year when the snow melts because the construction workers keep the concrete for themselves and use sand to build the bridge pillars instead.

In the meantime, Romania's foreign debt has increased to \$ 10 billion. The reason for this sad state of affairs is to be found in the hard currency expenditures for the high-priced oil imports; insufficient revenue from export goods as well as in the rapid decline of well-heeled Western vacationers particularly from the FRG and from Austria. In 1980, the number of hard currency visitors declined by three-quarters because of high prices, poor service as well as cheating both in hotels and restaurants.

Thus, Ceausescu is more than ever dependent on export revenue from agricultural production; particularly if he means to pay off his foreign debt by 1990, as he has repeatedly said.

But it is on the agricultural sector that the faulty planning which gave precedence to industry is having its most telling impact. For years, needed investments were neglected; labor was moved to the industrial centers and agricultural workers are paid far below the average. In the Kolkhozes, older women make up most of the labor force today.

The inefficiency of agricultural production is also due to the rigid practice of centralization where regional authorities assume no responsibilities and have no overview. All decisions are made at the top. "Fuehrer" (a title conferred upon himself) Ceausescu personally sets the dates for sowing and for harvesting corn and sugar beets.

The Romania of 1981 perpetuates the Russian tradition of the Potemkin villages that worthy had constructed whenever Catherine II came visiting. When the popular chief of state visits a Kolkhoz the local functionaries have the livestock from several collective farms carted to the one in question so as to create the impression that the plan has been overfulfilled.

There is a lack of fertilizer (the 1980 production figures did not even meet half of the projected plans); there is not enough feed; there is a lack of machines and above all of a labor force that really wants to work.

Almost daily, the German-language newspaper NEUER WEG, put out by the government, issues an appeal to start cultivating the 150,000 hectares of farmland at long last which had not been touched by the end of May due to "under-utilization of farming technology and organizational mismanagement."

Nonetheless, except for Transylvania, there are few tractors and few work parties to be seen throughout the country, the latter usually taking a break.

On the other hand, there is an idyllic 19th century aspect to Romanian village life. One does not have to go far to encounter the doughty peasant letting his cow graze by the roadside or the farmer's wife carrying an armful of grass to her private sector barn or the countless horsedrawn wagons conveying country folk on their private business.

Privately owned land amounts to 8 percent of total acreage but supplies 25 percent of Romania's fruit and vegetable needs despite the fact that the private farmers lack greenhouses and that both

fertilizer and pesticides have to be stolen from the Kolkhozes. The state-run agricultural production went down by 5 percent last year; in 1981 it is supposed to rise by 9 percent-- according to the plan.

It stayed cold late this spring and it rained a lot. In order to improve upon the expected poor harvest for 1981 --much acreage in Transylvania and in the south Carpathians is still under water-- Ceausescu has ordered that "not a hand's breadth of soil is to remain untilled."

In Bucharest and Brasov, in Craiova and Constanta industrial workers are giving their all these days tilling their private potato and onion patches on the factory grounds-- during working hours of course.

In February, Ceausescu promised that a "revolution in agriculture" would take place. He wants to give priority this year to investing in fertilizer production to the tune of 50 million Lei or two Lei for every inhabitant.

In terms of numbers, it is easy to see where the labor force will come from. Many members of the rural population, lured to the cities years ago, are to go back to the land now that many factories are not operating at full capacity due to the energy shortage.

But the erstwhile farmers are refusing. They prefer the most meager existence in the city to the harsher country life. The city also offers more opportunities for extra earnings: The packers, sales personnel, drivers and other members of the service industry make use of the many opportunities to set some of the available goods aside for themselves and to find a market for them.

Collective farmers, to be sure, can add to their minimal state earnings by selling their privately grown vegetables, their eggs and fowl and their handicraft, but to do so they must go to the nearest market in packed buses and then have to endure abuse for their high prices on the part of city people whose animosity more often than not is due to their having come from the country themselves.

As long as Ceausescu's agrarian revolution is restricted to oratory and appeals to self-discipline, an end to the supply crisis is not in sight, the availability of fresh radishes notwithstanding.

On the other hand, dictator Ceausescu need not be afraid of Polish conditions arising. His secret service exercises all but total surveillance over the citizenry which is patient and accustomed to poverty and has a highly developed capacity for circumventing shortages by working things out through private deals.

"The people here are always complaining, but they have a knack for muddling through," Mrs Popescu says and then adds a present-day Romanian word of wisdom: "The state makes believe it is paying us and we make believe we are working."

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RESOLUTION OF THIRD CONGRESS OF SELF-MANAGERS

Belgrade BORBA in Serbo-Croatian 22 Jun 81 Supplement pp 2-8

[Resolution adopted in Belgrade on 18 June 1981]

[Text] The Third Congress of Self-Managers of Yugoslavia is the first large gathering of Yugoslavia's working class held without the leader of our revolution, Comrade Josip Broz Tito, the initiator and strategist of socialist self-management.

The congress is also being held without Comrade Edvard Kardelj, who made a very important theoretical and practical contribution to development of the system of self-management.

In the name of the working class and all the working people and of all our country's nationalities and ethnic minorities the congress expresses a unified resolve to continue unhesitatingly the great and historic work of Comrade Tito and the League of Communists of Yugoslavia.

The Third Congress of Self-Managers of Yugoslavia has been called on the initiative of Comrade Tito in order to evaluate the successes and problems to date in the development of socialist self-management and to stimulate its further development and the greatest possible consistency in achieving the self-managing position of the worker in associated labor.

The Second Congress of Self-Managers and the 10th and 11th Congresses of the League of Communists of Yugoslavia supplied answers to the key questions in the practice of self-management and indicated the directions and prospects for construction of a socialist self-managed society based on the rule of workers in associated labor. The working class has thereby confirmed its resolve to continue to consolidate and develop the achievements of our revolution--our community's independence, socialist self-management, and the brotherhood, unity and equality of the nationalities and ethnic minorities of Yugoslavia.

The SFRY Constitution and the Law on Associated Labor and other laws embodying the system have been adopted over the past decade. Processes have begun in which the institutional framework of associated labor is being created consistent with self-management from the basic organization to the broadest forms of

organization and linkage of associated labor through self-management. The delegate system has been introduced as a form of decisionmaking by the workers, the working people and the citizens concerning all the business of society. New relations have been established and affirmed in the Federation on the basis of the full equality and consensus of the nationalities and ethnic minorities and the sovereignty of the republics and the autonomy of the provinces. The political-ideological, constitutional and institutional prerequisites have thereby been rounded out for the long-range development of the socioeconomic and political relations of socialist self-management and for the country's dynamic material and cultural development, and the conditions have thereby been created for the working class to become the leading economic and political force of society.

In spite of the many serious difficulties, shortcomings and resistance we have been encountering, self-management has confirmed its historical significance in the period which has passed and has become the dominant consciousness of the working class and the working people.

Very important results have been achieved in strengthening the social position of the working class, in developing the country's material and productive forces, and in the steady growth of the personal and social standard of living of the working people and citizens.

The social product has grown by more than three-fourths over the past 10 years, in excess of 50 percent in per capita terms. More than 2 million new workers have entered upon associated labor. Fixed capital in the economy of the socialized sector has more than doubled over this period, and the real value per worker has grown over 50 percent. Progress has also been achieved in satisfying the personal and social needs of the working people. Personal consumption and the standard of living as a whole have risen by two-thirds. Significant results have been achieved in education and in improving the composition of the labor force with respect to skills, in improving health care and social welfare and in meeting the cultural needs of the working people and citizens. All of this comprises the basis for our further dynamic material and social development.

In many countries and in the world working class and progressive movement there is growing interest in self-management as an objective need and as a requirement in the progressive development of human society. Differing forms of self-management, codetermination and worker participation in management of enterprises are emerging in differing social conditions. This emphasizes still more the responsibility of the working class, the working people and the subjective forces of Yugoslavia for the further successful development of socialist self-management.

The Third Congress of Self-Managers of Yugoslavia is being held at a time when the international political and economic situation is very unfavorable and is burdened with a crisis of detente, the augmented dominance of the blocs and wars into which even certain nonaligned countries have been drawn, by the accelerated arms race and by many dangerous threats to world peace. International economic relations are especially characterized by a widening of the gap between the advanced and the developing countries, by an expansion of the multinational

companies and pressure of the international monopolies on the world market, by stagnation of production and by a decline of the growth rate of international trade. An economic crisis fraught with economic and social conflicts has seized all countries and regions of the world. As a crisis of the social systems based on monopoly of capital and state-ownership relations and as an organic crisis of contemporary international economic relations it is long-term in nature. All of this hampers still more the conditions and possibilities for development of the economically underdeveloped countries.

Adverse trends in our own economy, which have been significantly affected by the international situation, are manifested above all in the seriously disrupted flows of social reproduction, in the high level of inflation and in the deficit in the balance of payments. Factors contributing significantly to this have been slowness in applying the arrangements of the system and delays in development of the relations of socialist self-management, a strengthening of voluntarism in decisionmaking on business matters and on the economy in general, displacement of objective economic laws, autarkism, violation of the unified Yugoslav market and neglect of its role, a lag in the growth of labor productivity, consumption exceeding real capabilities, the adverse economic structure, the increased dependence on imports and the inadequate orientation toward exports. All of this has opened up a broader space for the activity of bureaucratic and technocratic forces and for a strengthening of administrative interventionism.

The congress emphasizes that the basic social and economic conditions have been created for the workers to take control of income in its entirety. The adverse economic and political conditions in the world and the instability and inflation in our own economy require in turn a determined change of relations as they exist in the handling of income and especially funds intended for strengthening the material basis of labor. Without those changes inflation cannot be controlled, nor can the program of economic stabilization be carried out.

The two key tasks which our society confronts are for associated labor to take control of social reproduction as a whole and to achieve economic stabilization. Without stabilization of economic flows there can be no stabilization of social relations, but also conversely--there is no lasting stabilization of economic flows unless the working class has the decisive role in the management of those flows.

Whereas these tasks can be performed only through the persistent struggle of the workers themselves within their self-managed organizations and communities and also through the resolute and consistent struggle of all the organized socialist forces, led by the League of Communists, the Third Congress of Self-Managers adopts the following

RESOLUTION

1. For the Workers To Take Control of Social Reproduction

1. The Third Congress of Self-Managers emphasizes that the workers and working people, organized through self-management, and all the organized socialist

forces in society must through their aggregate activity in the institutions of the socioeconomic and political system so influence the behavior of all factors in society that they will be at the service of strengthening the rule of the working class, the working people and the citizens and so that all forms of self-management and socialist self-management democracy are constantly broadened and developed, especially in the sectors of social reproduction over which the workers and other working people do not have full control. The following are indispensable to achievement of that goal:

i. consistent achievement of the worker's right and duty to manage the business and funds involved in social reproduction together and on an equal footing with other workers in associated labor. This applies first of all to the worker's mastery of the entire income within the basic organization of associated labor, in particular funds intended for expansion and improvement of the material basis of labor and for satisfying community and general public needs outside the basic organization;

ii. activity by all the organized forces of society so as to determinedly supersede the practice whereby factors outside associated labor, through an informal alliance of professional management of OUR's [organization of associated labor] and banks, executive offices and bodies of sociopolitical communities and bodies of sociopolitical organizations, make decisions on funds for expanded reproduction;

iii. exercise of the worker's right to decide on funds for satisfying community needs and establishment of their more effective scrutiny of funds to meet general public needs in sociopolitical communities.

2. The congress declares that the following are indispensable in order to stimulate the future development of self-management relations in the domain of expanded reproduction:

a. increase the reproductive capability of organizations of associated labor as an essential prerequisite for self-financing and direct decisionmaking of the workers on development of the material basis of their labor;

b. create conditions so that the necessary concentration and circulation of funds takes place primarily through the direct pooling of the labor and capital of organizations of associated labor on a self-management basis;

c. transform the banks into self-managed financial associations of associated labor in which decisions on their business operation will be made by the workers through their delegates in the bodies of the banks, develop pooling of the capital of organizations of associated labor in the banks, through the banks and directly, and prevent the tendencies toward regional exclusiveness of basic and associated banks;

d. create the social conditions and eliminate obstacles to the broader organization of internal banks for the sake of more direct worker scrutiny of flows of money;

e. prevent bodies and offices of sociopolitical communities and entities outside associated labor from exceeding their power in interfering with decision-making in organizations of associated labor and banks;

f. prevent the institution of optional self-taxation from being used for excessive expansion of the investment front and see that it is used to an ever greater degree to meet the direct common needs of the working people and citizens as set forth in the plan, and on the basis of the constructive experience gained ensure further progress of democratic procedure in the adoption of decisions on introduction of optional self-taxation.

Judging the deposit-credit system and the manner and use of note issue to be one of the important causes of the dominance of bank credit in sources of financing for expanded reproduction and of the weakening of the reproductive capability of organizations of associated labor, as well as a factor in the growth of the volume of spending beyond our real capabilities, which also makes it a factor in inflation and a factor tending to upset normal flows of social reproduction, the congress urges the following:

i. reassessment of present arrangements set forth in laws on the bases of the money, credit and banking system and regulation of the relevant relations so that the workers take control of relations in this domain as well, so that the issue of money and the entire monetary sphere are placed at the service of associated labor, and so that credit and monetary policy is set forth and implemented on a self-management foundation;

ii. assurance that the system and credit and monetary policy contribute to the unhampered performance of the process of social reproduction and to achievement of economic stabilization;

iii. prevention of the use of primary note issue for final consumption, an end to exaggerated selective credit financing and faster use of forms of primary note issue which will be directly dependent on flows of goods and money;

iv. radical restriction of the use of foreign credit for dinar financing of expanded reproduction.

3. The congress calls upon workers in material production and social services to put an end to the alienated nature of decisionmaking on community needs through their direct involvement through the free exchange of labor.

The congress accordingly emphasizes the need for the following:

i. for the largest possible share of community needs to be met from the income of basic organizations of associated labor through relationships of direct free exchange of labor and pooling of labor and capital between and among organizations of associated labor on the basis of lasting joint interests and needs and joint realization of income;

ii. when the nature of an activity and mutual linkage so require, for social service organizations of associated labor in the fields of science, job-oriented education and health care to enter into lasting association with organizations in physical production to form joint work organizations, complex organizations of associated labor, business communities, etc.;

iii. for a more significant portion of community needs relevant to the standard of living of the working people and citizens to be met from the personal incomes of the workers and working people on the principles of solidarity and reciprocity through direct relations accomplished in and through local communities;

iv. for basic communities and their units to be affirmed within an organizational framework based on interest and for the free exchange of labor to take place in them or through them;

v. for broader community interests and needs, above all the conclusion of self-management compacts on the standard of living and the level of broader solidarity to implement them, to promote the free exchange of labor, etc., to be realized predominantly in broader self-managed communities of interest and their associations and alliances through mutual reconciliation of plans and programs;

vi. to prevent decisionmaking in assemblies of self-managed communities of interest concerning introduction of contributions for specific community needs and on their level without direct decisionmaking of the workers in basic organizations and communities;

vii. to put an end to the practice of setting the rates of contributions and of earmarking funds for community needs by decision of assemblies of sociopolitical communities instead of through self-management accords. Such decisions of assemblies may be used only exceptionally, as a temporary measure, toward those entities which have not assumed the obligation to pool funds through self-management accords, and even then only to meet needs of particular public interest;

viii. for the appropriation of funds from the personal income of workers and the pooling of such funds to meet community needs to be reflected in the level of the worker's net personal income, rather than being automatically transferred to the other portion of the income of the basic organization of associated labor;

ix. broader involvement of professional and scientific institutions in improving the planning and programming of community needs and in setting forth criteria for evaluation of the results of labor in particular social services;

x. reduction of the size of the administrative staffs in self-managed communities of interest and improved handling of professional, administrative and other business in them by turning certain matters over to organizations engaged in the free exchange of labor, to professional, scientific and other organizations, as well as to joint specialized staff services of self-managed communities of interest at a higher level.

4. With respect to policy concerning government spending the congress advocates the following:

i. reassessment in all sociopolitical communities of the volume and makeup of budgetary spending to reduce it to a lower level and to program a further reduction relative to the growth of income;

ii. abandonment of the practice of budget financing of purposes and needs which ought to be met through the self-managed pooling of funds;

iii. prevention of the use of funds and other methods of concentrating resources at the level of sociopolitical communities used for the budget financing or credit financing of expanded reproduction in a manner that does not conform to self-management, thereby creating and reproducing anonymous capital;

iv. thorough reassessment of the tax system and fiscal policy from the standpoint of the workers' exercise of their self-management rights in associated labor and the requirements of economic and social welfare policy;

v. reduction of the turnover tax and other forms of indirect taxes and other levies, which have been increasingly voluminous and less and less a function of economic and social welfare policy, and which in the manner of their prescription have not been sufficiently subject to the scrutiny of associated labor and delegate assemblies;

vi. consistent implementation of the constitutional provision restricting the right of sociopolitical communities to prescribe taxes and other levies on the income of basic organizations of associated labor regardless of their abilities to satisfy the personal and community needs of the workers and the needs of expanded reproduction in conformity with the overall obligations of the economy, the results of their labor and the success which they have had.

II. On the Realization and Division of Income and Distribution of Funds for Personal Incomes According to the Results of Present and Past Labor

1. The Congress of Self-Managers stresses the need for all the subjective forces and associated labor as a whole to commit itself more vigorously to a steady rise of labor productivity and business efficiency as the lasting foundation for higher output and income, a higher standard of living and a stronger material basis of associated labor. The following are necessary to this end:

i. the waging of a fight to give the workers in basic organizations of associated labor a position which will motivate them to steadily raise the productivity of labor and increase income;

ii. achievement of conditions for larger income and greater security in earning it through the pooling of labor and capital of organizations of associated labor;

iii. for workers in basic organizations of associated labor to plan production that will meet the needs and requirements of the domestic and foreign markets;

iv. assurance of optimum investment through selection of modern technology and production programs which afford high labor productivity as well as optimum construction times;

v. steady improvement of the organization of work and work processes so that maximum use is made of the means of labor and work time;

vi. creation of conditions through the regulation of socio-economic relations and through economic policy, as well as by raising productivity in all sectors of social labor, so that workers in basic organizations of material production augment their income steadily through more productive labor and more efficient business operation.

In the performance of all these tasks workers in basic and other organizations of associated labor should derive maximum benefit from science and to that end organized scientific research work, pool efforts with other organizations of associated labor and organize and stimulate the broadest activity of the workers in the field of invention, innovation and efficiency proposals.

2. Whereas it is the right of the workers to make decisions on conditions for the realization of income, the congress issues the following demands:

i. that commitments to making the workers in organizations of associated labor the principals in regulating relations in the earning of income be carried out more rapidly, consistently and responsibly;

ii. that the regulation of all relationships be based on adoption of long-term self-management accords, due respect being paid to economic laws;

iii. that the bodies and agencies of the Federation and other sociopolitical communities, if in their legislation and measures they violate the equality of the organizations of associated labor in certain activities as to their realization of income, should furnish them appropriate compensation in conformity with their constitutional rights and duties.

The congress points up the need to strengthen the unity of the Yugoslav market as a constituent element of our cooperative community, of self-management as the sole production relation and of the equality of the nationalities and ethnic minorities. The unified market amplifies the strength of all members and parts of our socialist self-managed community and makes it possible for our economy to enter the world market more successfully.

Unhampered conclusion of self-management accords, the pooling of labor and capital, and the joint realization of income over the entire territory of the SFRY should especially contribute to the unity of the Yugoslav market.

Joint economic policy and the social plans of the Federation, republics and provinces, as well as the measures adopted to carry out those plans must strengthen the unity of the Yugoslav market.

It is both the obligation and responsibility of all self-management and social factors to resolutely oppose every closing and monopolization of markets, which have harmful economic and social consequences, which are in opposition to the interests of certain segments of the working class and which undermine our consensus as a community.

3. The realization of income by sharing in income earned jointly should increasingly become the pattern for the realization of income in organizations of associated labor which are dependent upon one another in the process of reproduction. The congress points out that the subjective forces and associated labor as a whole must commit themselves more fully to stimulating the process of the pooling of labor and capital in the realization of income on the principle of sharing in joint revenues and joint income. To that end there is a need to set forth objectified criteria governing the participation in income earned jointly, such as standards of present and past labor which will express the contribution of the organization of associated labor in the realization of the joint revenues and joint income.

4. The realization of income through the free exchange of labor should be based on the joint needs and interests of those using and those rendering services as arrived at through self-management.

The income of organizations of associated labor in the social services must depend on rendering services in the amount and of the quality agreed on in the program as well as on the contribution they make to raising the labor productivity in increasing the income of the users of their services.

The income of workers and work communities should be directly dependent on performance of work in the amount and of the type and quality agreed on in the program, and that of those in work communities within organizations of associated labor should also depend on the business performance of the organizations for which they do jobs and on their contribution to that performance.

5. The congress stresses the obligation to regulate relations in the determination and division of income and net income and in the distribution of funds for personal incomes through conclusion of social compacts and self-management accords on a uniform foundation. The following are indispensable to this end:

i. constant revaluation of total assets and realistic setting of depreciation rates on fixed capital so that the income of every basic organization of associated labor is represented more realistically and so as to prevent a portion of the value of social assets from being siphoned off into income and into expenditure for which there is no coverage in real income;

ii. establishment in an agreement among the republics and provinces of joint bases and scales for indication of that portion of income which is the result of

exceptional favorable circumstances and for channeling that portion into expansion of the material basis of labor;

iii. assurance that in the division of net income funds for personal incomes and community consumption are established on the basis of labor productivity attained, actual performance in the management and economic employment of social assets and other results of labor;

iv. assurance of a steady growth of funds for expansion of the material basis of labor and reserve funds in accordance with the growth of income, the volume of social assets committed, the nature of the activity and its role in social production, and the requirements of technical progress.

6. The congress emphatically advocates that society put a higher premium and material value on productive labor and work performed under difficult conditions. The performance of jobs and tasks in material production shall be assigned a higher material value and social recognition than work of the same complexity performed in administrative and technical and similar tasks. And this should contribute to the choosing of production occupations by the young generation in accordance with the economy's needs.

The congress at the same time advocates that creativity, innovation and efficiency proposals be given higher recognition and assigned a higher value, the rewards for them being made more consistently dependent upon the contribution they make to the augmentation of income. Initiative shall be taken so that inventive work and creativity are created as one of the bases for establishing the work contribution when personal income is being distributed.

The congress stresses that work performed on every job and task can and must be measured and evaluated and that the personal income must be realized as a function of the work contribution.

In conformity with joint bases and scales set forth in self-management accords with workers in other organizations and communities, it is indispensable that scales be established in every basic organization and work community for evaluation of the work contribution on the basis of the amount and quality of work done, optimum use of the means of production, savings on labor and materials, and time for performance of jobs and tasks, as well as on the basis of the overall results of joint labor and business operation. The status of organizers of production and business operation should also be examined in this context and appropriate bases and scales set forth to establish their contribution to the realization of income.

There is also a need to define in an agreement the social indicators for determination of funds for personal incomes as a function of the contribution of workers on the basis of management and economic employment of social assets representing the past labor of workers.

Professional management offices and bodies and specialized staff services must inform the workers regularly and objectively on the trend of personal incomes

relative to the trend of income, on labor productivity, on production costs, on the assets employed and on other factors on which the amount of income and the level of personal incomes depend.

The congress emphasizes that consistent enforcement of distribution according to labor and the results of labor is a barrier to cases of leveling and other ways in which personal income is realized otherwise than on the basis of labor and also a barrier to idleness, unjustified absences from work, poor discipline, etc. Cases of privatization of social property, corruption, bribery, privileges, and so on must be resolutely eradicated and appropriate legal and other steps taken to combat them.

III. Self-Management Association, Linkage and Planning

1. Taking note that in spite of the progress that has been achieved in organizing associated labor to conform to self-management, to a considerable extent our economy's organizational structure has been only formally accommodated to the requirements of the constitution and the Law on Associated Labor and that the process of the pooling of labor and capital is taking place slowly, the congress advocates the following:

i. a real transformation of relations so that by their own inner logic they will motivate the workers in basic organizations in the direction of cooperation, association and joint ventures with workers in other organizations on the basis of mutual dependence in the process of reproduction and common economic interests;

ii. self-management pooling of labor and capital by organizations of associated labor as the basis for building the uniform system of associated labor and an essential prerequisite for effective material and social development and self-management solution of current problems and development problems, which at the same time is the way to master the haphazard operation of the market and combat tendencies and occurrences which are not in conformity with the system of self-management and which hold back its development;

iii. elimination of all the causes which lead to exclusiveness and autarkic behavior by basic and other organizations of associated labor; unceasing and determined involvement of the workers and all the subjective forces of society to stimulate broader self-management linkage and association of organizations of associated labor and unceasing critical reassessment of the forms that already exist for their self-management organization, association and linkage;

iv. elimination from the economic system--from the system of primary distribution, the credit and monetary system and banking system and the foreign trade and foreign exchange systems, the customs system and the tax system--everything that results in unnecessary administrative regulation of relations in associated labor, that is, everything which impedes the conclusion of self-management accords and cooperation and association on lasting foundations aimed at the joint realization of income;

v. a regime in the pricing of products and services of different activities which will act as an incentive for self-management linkage and the pooling of labor and capital;

vi. critical reassessment of certain solutions concerning the foreign trade and foreign exchange systems, in particular the payments-balance positions of the republics and provinces, from the standpoint of the association and linkage of organizations of associated labor and the rights of the workers to dispose of the results of their labor; consistent implementation of the policy of a realistic rate of exchange of the dinar and development of the foreign exchange market, which will give the workers a lasting motivation to establish self-management links and pool their labor and capital and jointly plan the earning of income and the growth of exports;

vii. faster formation of self-management linkage between material production and the distribution sphere on the basis of common interests and mutually reconciled programs of operation and development, joint revenues and joint income;

viii. more intensive activity on the part of organized consumers to stimulate cooperation and the pooling of labor and capital between organizations of associated labor which are producers and those engaged in retail trade;

ix. more extensive linkage of the labor of self-employed persons with the labor of workers in organizations of associated labor.

The congress is resolutely opposed to the use of self-management accords to create monopoly positions for particular organizations in production or distribution. Organizations whose line of business as independent work organizations is distribution must be open to the conclusion of self-management accords with all producers prepared to carry on business collaboration and pool labor and capital with them under the same conditions.

It is indispensable to find criteria that will govern the distribution of revenues and income jointly realized on the basis of the contributions which the particular organizations have made to its realization, and in particular to set forth standards, norms and other bases on which mutual relations are to be regulated. The congress accordingly emphasizes the need for science and other organized socialist forces to render assistance to organizations of associated labor in finding solutions to these problems.

2. It is judged that a certain progress has been achieved in social planning and that in the enactment of the new medium-term plans more respect has been paid than previously to the procedures for mutual reconciliation of interests pursuant to the requirements of the new system of self-management planning. The congress at the same time notes that planning is still not sufficiently an expression of the self-managing activity of the workers, nor a form for self-management reconciliation of mutual socioeconomic, social welfare and other relations and interests of the working people and of their self-managed organizations and communities. The social plans of sociopolitical communities--and accordingly the plans of many self-managed organizations and communities as well,

have up to now been based mainly on unrealistic development ambitions of the bodies of sociopolitical communities and of professional management in organizations of associated labor, ambitions which were not in line with the economy's capabilities, nor did they take into account the interests and needs of associated labor as a whole.

The congress deems it indispensable, then, that all participants in social planning make a qualitative change of direction in the preparation, enactment and fulfillment of development plans. It is especially important to develop planning in the basic organization of associated labor.

The congress emphasizes that the planning of development on self-management foundations can be achieved only if the workers in the basic organizations, on the basis of dependence in reproduction and common economic interests, coordinate their development programs and plans by concluding self-management accords and create conditions and prerequisites for carrying them out. Sociopolitical communities, the republics and provinces in particular, as well as the entire delegate system must through their activity and measures stimulate and create conditions for the pooling of labor and capital and joint planning over the entire area of Yugoslavia, taking as their points of departure the division of labor, relations based on technology and income and business collaboration, and aiming at optimum production, development and the ability to make more effective advances on the international market.

The realization and distribution of income should be the principal subject matter for planning in basic organizations of associated labor. This requires that greater attention be paid in the planning process to utilization of the productive potential that exists in organizations of associated labor and also to the introduction of more than one shift, which should contribute to higher employment and greater income per worker. Planning within organizations of associated labor should also extend more and more over the entirety of the needs of the workers in the domains of health care, education, science, culture and so on.

The congress points out the need for greater self-management reconciliation of educational curricula and training programs with the planned needs of associated labor and of society as a whole. Development of the school system and orientation in education, as well as syllabi and curricula must conform to the development needs of associated labor and hiring opportunities. On that basis the congress points out the need for higher quality of education and punctual completion of schooling.

Since the stability of conditions for economic activity is an essential prerequisite for achievement of the system of self-management planning, the congress issues a demand to all bodies and agencies of sociopolitical communities and self-managed communities of interest, banks and other public entities that they not adopt decisions which alter the conditions for the conduct of economic activity over short periods of time and without socioeconomic justifiability. The League of Trade Unions and economic chambers must take a considerably more energetic and critical attitude in this respect.

The congress points out the slowness in development of the socioeconomic relations of self-management in large systems within the infrastructure of the economy. The workers and the subjective forces of society therefore need to be more vigorous in overcoming the problems in these systems and the respective self-managed communities of interest on the basis of the joint planning of these activities by the workers in them and by the users of their products and services and establishment of relations among them according to the principles of free exchange of labor and the joint realization of income.

Aside from organizations of associated labor directly concerned in the conclusion of self-management accords and social compacts on the bases of plans, all other entities in social planning should also participate with full responsibility--banks, economic chambers, sociopolitical communities, scientific research institutes and others, which should express the broader interests of the working class and of society as a whole.

The practice must be abandoned of mutually reconciling social development plans in sociopolitical communities without relying on self-management accords concerning the bases of plans and on the plans of organizations of associated labor and other self-managed organizations and communities and also the practice of adopting the plans of those organizations and communities without aligning them with the joint interests and goals of development set forth on a self-management basis in the social plans of sociopolitical communities.

The congress specifically emphasizes the need to bring the goals and tasks which are planned into conformity with real capabilities. Unconditional respect must be paid to the constitutional prohibition against including investment projects in plans or undertaking to carry them out if the material and other necessary conditions for their accomplishment have not been provided for in the manner prescribed by law. In that same context an end must be put to the practice of including in the plans of sociopolitical communities investment projects or other goals for which the mandatory pooling of funds by organizations of associated labor is prescribed though the conditions for that prescription set forth in the constitution have not been met.

On behalf of more realistic planning and in conformity with the principle of continuous planning, all plans must be brought into conformity with changes that have occurred on the domestic and foreign markets and with new knowledge of development potential. It is indispensable to that goal that all self-managed organizations and communities, communities for planned and business collaboration, and also sociopolitical communities equip themselves to conduct that kind of planning.

The congress demands enhanced responsibility and consistent discharge of obligations assumed under self-management accords and agreements on the bases of plans. This should also be the general rule pertaining to all commitments assumed in other self-management accords and social compacts, which must have the force of legal obligations whose nonperformance invokes appropriate penalties.

IV. For Delegate Decisionmaking and Socialization of Politics

The Third Congress of Self-Managers of Yugoslavia emphasizes the historic importance of the delegate system in which the workers, the working people and citizens, organized in their own self-managed organizations and communities and sociopolitical organizations, through their delegations and delegates, make direct and sovereign decisions on matters essential to their life and work and on all social business on the foundations of socialist self-management.

1. Since advanced self-management relations in the basic organization and in the local community are a condition for the functioning of the delegate system, the congress points out the need for the following:

i. for the workers, working people and citizens in caucus and other forms of self-management decisionmaking to take positions and set forth guidelines concerning the most important issues on which decisions are being made in workers' councils, assemblies of local communities and in the delegate system as a whole;

ii. for delegations to organize themselves to the maximum as independent bodies of basic self-managed organizations and communities which, in constant linkage with their electorate, serve as self-management and political links between the organized working people and citizens in the delegate assemblies, in which function the delegation must be furnished all necessary information and professional assistance;

iii. for the practice to be abandoned of confining the concerns of the workers' council to questions of distributing net income and funds for personal incomes and confining other delegations to questions of pooling funds to meet community and general social needs outside the basic organization of associated labor;

iv. for development of delegate relationships in the local community and more direct linkage of organizations of associated labor and their delegations with the local community in which numerous vital interests of the workers and citizens are realized and in which their standard of living and social security are largely provided for.

2. The Congress of Self-Managers especially emphasizes the importance of the continuing struggle to affirm the opstina as a self-managed and basic sociopolitical community in which the overall system of complex self-management and democratic relations and collaboration between the working people and citizens in their basic self-managed organizations and communities is realized. Proceeding on that basis, the congress deems the following to be essential:

i. that social efforts be oriented in the coming period still more concertedly and decisively toward creation of the conditions and development of democratic self-management practice, which will ensure that the working people and citizens, by concluding self-management accords and social compacts and through decisionmaking by delegates in the opstina assembly, fully exercise their rights and discharge their duties in self-management;

ii. that in the opatina, as the first extended form of regional self-management organization of associated labor and as a self-managed community of the multitude of interests of the workers and working people and citizens, there must be assurance that the working people and citizens, through their personal activity and through their delegates, exert an essential influence on the formulation and conduct of public policy at all levels--from the opatina to the Federation.

3. So that the workers in associated labor may be able to make decisions on the entirety of income, and especially on that portion of their income which they are setting aside and pooling to meet community needs outside the basic organization and to meet general public needs, and also concerning other issues on which decisions are made in delegate assemblies--the Third Congress of Self-Managers deems the following to be essential:

i. consistent implementation of the provision of the Law on Associated Labor to the effect that proposals for setting aside and pooling funds for community and general public needs be put to a vote of the workers in basic organizations of associated labor, as a rule all at the same time and once annually;

ii. that delegates in delegate assemblies act in conformity with guidelines and basic positions which they receive and that they contribute creatively, respecting the interests of others, to successful resolution of the issues which the assemblies are deliberating and that they regularly inform delegations and, through them, the workers of the basic organizations, concerning their work. Sociopolitical organizations are to contribute increasingly to this practice by virtue of their own activity;

iii. that the institution of the interchangeable delegate be put into effect and affirmed more widely so as to achieve the collective work of the delegates and competent representation of interests, initiative and proposals and the self-managed social base;

iv. that delegations develop differing forms of mutual cooperation, linkage and joint action within the framework of work organizations and complex organizations, local communities and other forms of mutual linkage. It is indispensable to affirm conferences of delegations as a form of social consultation of the delegations with the organized forces of socialist consciousness;

v. that delegations and delegates oppose the practice of presenting social problems and the drafts of decisions in cumbersome, incomprehensible and dull technical studies, requiring that they be presented a brief and concise text which should contain the essence of the problem and alternative proposals for resolving it;

vi. that delegations and delegates oppose the practice of excessive government regulation and expansion of self-management regulation when they are not a function of the development of the relations of socialist self-management.

4. Decisionmaking in delegate assemblies of sociopolitical communities should be increasingly an expression of self-management decisionmaking by the workers and other working people in self-managed organizations and communities.

The congress energetically opposes the widespread practice whereby decisions lying in the province of self-management and delegate decisionmaking are made outside self-managed and delegate bodies in so-called coordinating bodies, commissions and informal groups, so that the delegate system of decisionmaking is reduced to formal consent to decisions which have already been made outside that system.

Proceeding on that basis the Third Congress of Self-Managers stresses the need for the following:

i. that in the process of formulating joint policy and enacting norms which are universally binding the assemblies of all sociopolitical communities develop as working bodies linked to their social base, bodies which make decisions through consensus and mutual reconciliation of interests and views of self-managed organizations and communities, rather than by domination of the majority, thereby superseding elements of the political-representative method of decisionmaking;

ii. that the assemblies concentrate on reconciling views concerning the essential issues of socioeconomic development so as to attain greater efficiency of the delegate assembly system and prompt enactment of decisions;

iii. that the decisive role of the working class in assembly decisionmaking be affirmed through the chamber of associated labor and other chambers and that the constitutional principle that no decision can be made on the taxation of income or the assignment of such tax revenues unless a decision has been made to that effect by the chamber of associated labor be consistently implemented;

iv. that the constitutional function of assemblies of self-managed communities of interest in the social services of participating on an equal footing with the competent chambers of assemblies of sociopolitical communities in decisionmaking on issues within the domain for which the respective self-managed community of interest was founded shall be performed consistently;

v. that in granting powers to their executive and administrative offices and bodies delegate assemblies define as definitely as possible the guidelines and limits for the conduct of policy and for enforcement of legislation, and that they constantly insist on their accountability in that respect;

vi. that executive and administrative offices and agencies and other proponents of decisions prepare proposals containing alternatives and possibilities for choice as the basis for reconciliation of views in assemblies.

5. All the organized social forces of socialism must wage a persistent struggle for the new practice of performance of the functions of the government administration--executive and administrative offices and agencies--and must always be aware of the danger of tendencies toward a strengthening of the political power of the government apparatus in the direction of its power over society.

It is indispensable that the political and legal conditions be ensured for the government to perform its governing and regulatory functions in a truly

effective and responsible way and in the interest of labor associated through self-management, contributing to a strengthening of the social role and importance of organizations of associated labor, local communities and communities of interest.

In our social context the government administration must increasingly become--directly and through delegate assemblies--an organized specialized staff service which serves associated labor and is accountable for its work to the delegate assembly.

6. The Congress of Self-Managers demands the following:

i. that holders of public political office perform their functions consistently in the interest of self-management, so as to protect the self-management rights of the workers and other working people and their self-managed organizations and communities, contributing to creation of conditions so that problems and relations are increasingly resolved and regulated on a self-management basis instead of through legislation based on coercion;

ii. that decisions of broader social interest in sociopolitical communities, whenever possible, be made through social compacts in whose conclusion bodies and agencies of sociopolitical communities participate only as equals;

iii. that the bodies and agencies of sociopolitical communities also figure as initiators for conclusion of self-management accords and social compacts on the relations which can be regulated on that basis, not taking advantage of their power to independently adopt universally binding legislation before an attempt has been made to find a solution on a self-management basis, leaving the participants in the conclusion of self-management accords and agreements a suitable time for submittal of an agreement, and if an agreement is not forthcoming, the legislative act based on coercion adopted by the assembly should in principle be a temporary piece of legislation which will be enforced only until an accord or compact is achieved.

7. The congress advocates development of the role and functions of social councils, which will contribute to opening up the bodies and agencies of sociopolitical communities to all socialist social factors and especially to the inclusion of sociopolitical organizations, as well as scientific and professional institutions, in the processes of preparing decisions and carrying them out.

The active participation of all social factors which impart their experience to the work of those councils on the basis of their own practice and performance of their own role and the discharge of their own responsibility in the self-managed socialist society is of great importance to the effective work of the social councils.

8. The Third Congress of Self-Managers points out the indispensable role of sociopolitical organizations, headed by the League of Communists, in developing socialist self-management and the delegate system.

As an internal force and organic part of the delegate system, the sociopolitical organizations must carry on a constant and persistent struggle against the remnants of the old consciousness and old practice, which do still persist in the delegate relationships. The Socialist Alliance of Working People has a special role here as the united front of the organized socialist forces and the political base of the delegate system.

The congress especially emphasizes the role of the trade unions as the broadest class-oriented organization of the working class and working people in the struggle to consolidate the social position of the workers associated through self-management as the leading economic and political force of society.

The congress also emphasizes the exceptional importance of the commitment of young people to the further development of socialist self-management and the particular place and responsibility of the Socialist Youth League of Yugoslavia in that respect.

Public organizations, civic associations and other entities in the fields of scientific, professional, technical, cultural and material and social creativity, which are democratically organized in the delegate system, should be more active as its internal driving force.

To a far greater degree than in the past science and scientific knowledge should provide the groundwork for the work and decisionmaking of the workers and other working people, workers' councils, delegate assemblies, executive bodies and offices, professional staff services and all other creative socialist forces of our society.

9. The Third Congress of Self-Managers emphasizes the importance of informing the workers and other working people and their delegates truthfully, promptly, clearly and completely so that competent decisions are made and in general so that the entire delegate system can function, taking the view that the present supply of information still does not meet their requirements and needs.

The congress deems it indispensable to build up an integrated and internally linked information system at the service of the working people and their self-managed organizations and communities, whereby full public scrutiny of proceedings and accessibility of sources of information must be guaranteed.

It is also indispensable that the media also adapt their work still more to the needs of delegate decisionmaking.

10. The Third Congress of Self-Managers is resolute in advocating consistent implementation of Comrade Tito's initiative on the promotion of collective work, decisionmaking and responsibility in all bodies and institutions of the political system, which will certainly contribute to the further development of socialist self-management and at the same time will help to effectively combat tendencies and cases of leaderism, careerism, and hierarchical relations, reproduction of political professionalism and also usurpation of the self-management rights of the working people and citizens.

11. The congress specifically points up the need for further democratization of personnel policy and the importance of the steady improvement and consistent implementation of social compacts on personnel policy, the need to expand the pool of personnel and also the need for public evaluation of the work of personnel to whom responsible public offices are entrusted.

The congress resolutely opposes all cases when decisions on personnel are made undemocratically and contrary to self-management in informal groups, sectarianism and manipulation of people, formalism in carrying out social compacts on personnel policy, rigging competition for job vacancies and all other adverse occurrences which are opposed to the further authentic socialization and democratization of personnel policy as a whole.

In view of the extreme importance of electing delegates to assemblies of socio-political communities and self-managed communities of interest, the congress calls upon the working people and citizens and the organized socialist forces to make a maximum commitment to the success of these elections, especially to the keeping of up-to-date records in a democratic manner on prestigious workers who have won social affirmation and nomination of the best for election as delegates, taking into account the appropriate representation of women and young people.

12. Since constitutionality and legality are an essential basis of the system of socialist self-management, social ownership and equality of the working people, it is indispensable that the gap be resolutely closed between what has been prescribed and what actually exists, between the principles set forth and practice, a discrepancy that is justifiably arousing resentment of the working people.

Constitutionality and legality in our self-managed social movement are not expressed solely in the form of conventional legal norms, but the social norms of self-management, which are becoming dominant, and also the moral norms which are coming into being and developing as an integral part of social and especially legal consciousness, are also entering more and more into their content.

On that basis the congress takes the following positions:

1. that it is essential to the consistent functioning and achievement of constitutionality and legality to implement the constitutional principle which makes concern about legality the duty not only of judicial and other government bodies and agencies, but also of self-managed and all other social entities, in particular public defenders of self-management law and self-management courts; public scrutiny of proceedings and an appropriate system of information; and responsibility as the established system of social relations;

11. that workers' self-management control, in putting a stop to various deformations and abuses, should direct its activity toward protecting social ownership, the self-management rights of the workers, enforcement of legal norms, social compacts and self-management accords and other general self-management acts, as well as toward implementation of the decisions of the workers and bodies of self-management.

13. The congress feels that a determined struggle to strengthen responsibility is a vital need of our society; that there is a need for a constant and concrete struggle to identify individual and collective responsibility in all places and at all levels, from the basic organization of associated labor and local community to the Federation; that a concrete and effective system should be developed for detecting various deformations and abuses and that legal steps be taken against offenders; and that it is also necessary to apply other appropriate measures such as removal from office, recall and resignation.

14. The Congress of Self-Managers emphasizes the importance of organizing and training for defense and self-protection, which are achieved along with work and management of public business as an integral function of the self-managers.

It is indispensable that every basic self-managed organization and community so organize and equip itself that with its own personnel and materiel it can provide its own secure protection and defense under all conditions. There is a need to create and constantly expand the conditions for the working people to show initiative in decisionmaking on matters of defense and social self-protection and for their implementation.

V. Essential Tasks in Future Material and Social Development and the Program of Economic Stabilization

1. The congress emphasizes that waging an effective fight for greater economic stability is a vital interest of the working class and an essential precondition to the further successful development of self-management, to a strengthening of the workers' socioeconomic position, and to political stability in the country. The congress accordingly stresses the following:

i. Implementation of the policy of economic stabilization and removal of the causes of inflation are the most important task of all social entities and the most immediate interest of associated labor. Economic stability should be achieved through higher labor productivity, by eliminating structural disproportions in the economy, honoring the need for optimum inclusion in the international division of labor, by establishing harmonious relations in social reproduction, by overcoming the tendencies toward autarkic economic development of the republics and autonomous provinces, by raising investment efficiency and by better utilization of available resources.

ii. The immediate tasks in achieving economic stability are to augment production which will contribute to harmonizing commodity-money relations and to increasing exports, raising labor productivity and strengthening other qualitative factors in economic performance, bringing all forms of final consumption into line with the resources realistically available, and economizing and augmenting income through those actions. The behavior of all entities in society and economic policy must in their entirety serve the performance of these tasks.

iii. To contribute to the faster and more optimum development of the productive forces and to improve economic employment of social resources through the development of science and scientific research. To contribute to the further growth

of labor productivity and economic efficiency through creative application of new scientific advances, by bringing education into line with the needs of the economy, by introducing new technologies, by developing the organization of self-management and through other improvements of organization and efficiency.

iv. The awareness that it is possible to spend only what has been created must be adopted by everyone and govern their behavior, from the basic organization of associated labor to the Federation. The volume of all forms of spending must be adapted to this principle.

v. The share of organizations of associated labor in distribution of the social product and income must be increased. There is a need to strengthen the cumulative capacity of organizations of associated labor and reduce the level of their indebtedness. The accumulation of basic organizations of associated labor should grow faster than the growth of income, and funds for consumption should grow slower than that growth.

vi. There is a need to reduce the share of investments in the social product, so that they remain within the limits of the resources realistically available. There must be an essential improvement of investment deficiency. The use of foreign funds for investment projects should be brought within the country's payments-balance capabilities. To that end it is indispensable to ensure effective channeling and concentration of investment resources on a self-management basis. In conformity with development plans and on the basis of the needs of the domestic and foreign markets an agreement should be reached on the criteria to be set forth for social evaluation and economic feasibility of investment projects and their application ensured, and the obligation to register investment projects should be established.

More harmonious commodity-money relations and better supply of the market can be ensured only if the unified Yugoslav market is functioning. To achieve that steps are needed to correct the causes of disruption of the unity of the Yugoslav market and its constructive influence on development and economic stability. The establishment of monopolies and disloyal competition on the Yugoslav market should in particular be prevented. Faster growth of material and financial reserves within organizations of associated labor and within sociopolitical communities should be ensured in order to create more stable relations on the market.

The congress stresses that an essential slowing down of the present rise of prices is extremely important to further economic development and development of the relations of socialist self-management and to more stable growth of the standard of living in accordance with the rise of labor productivity. A vigorous effort should be made to suppress tendencies to use higher prices to cover low labor productivity and high operating costs, mistakes in investments, poor organization of work, inefficient use of resources and work time, insufficient adaptation of production to the needs of the market and other elements of poor business management. It is indispensable at the same time to step up the activity toward consistent application of the new price system and to speed up the process of establishing more stable relations between the prices of particular

goods and services so as to correct more effectively on that basis the unjustifiable differences in position between individual segments of associated labor.

Credit and monetary policy and business policy of banks should serve economic stabilization and establishment of more harmonious commodity-money relations. To that end measures should be taken to align and orient the money supply and bank lending with the needs of social reproduction on a basis that contributes to stabilization, to bring note issue within real limits on the basis of bank deposits, to essentially reduce the use of short-term funds for long-term lending and to ensure that this does not stimulate inflation or detract from the economy's liquidity.

2. It is the view of the congress that it is indispensable to achievement of the joint goals and performance of the joint tasks of socioeconomic development to provide the conditions and means and bear responsibility for achievement of those goals and performance of those tasks which will essentially contribute to improvement of the unfavorable economic structure, to more harmonious regional development of the country and to equipping the economy for greater competitiveness on the international market.

i. Strengthening our economy's ability to export and its more organized and co-ordinated effort on the foreign market constitute one of the most important tasks in the plans and long-range development orientation of the country. It necessitates establishment of an appropriate strategy in the domain of foreign economic relations and a clear conception of our own technological development and of better utilization and transfer of imported technology so as to diminish the present dependence on foreign technology, so as to create conditions for larger export of domestic technology and so as to develop higher forms of cooperation on the basis of the pooling of labor and capital by organizations of associated labor to carry out joint projects.

ii. A faster growth of the production of energy and basic raw materials from domestic sources needs to be assured in order to reduce the economy's dependence on imports and to make greater use of domestic resources. There is a need to set forth a joint policy and program for exploration for energy, minerals and other raw materials and to set forth the manner in which funds are to be provided to finance those explorations. The measures of economic policy and other activities should ensure optimum use of energy and raw materials and their conservation.

iii. Developing agriculture and food production able to meet the growing domestic needs and increase exports as a permanent orientation is a task of paramount importance to the rise of the standard of living, to equilibrium in the country's balance of payments and to establishing the stability of the market. Augmenting agricultural production in the socialized sector and strengthening that sector depend especially on better and more optimum use of the land, enlargement of farmland holdings in the socialized sector, and a higher technical and technological level of production with the help of science. All this necessitates larger investments of funds as well.

There is also a need to make organized efforts to fully utilize arable land and increase the yield on private farms. Achievement of these goals will be furthered by self-managed pooling of labor, assets and land of private farmers, always developing their rights, obligations and responsibilities in cooperatives, organizations of cooperators and other forms of cooperation with one another and of cooperation with the socialized sector of the economy. Conditions will be created for larger production of food for the market and for improvement of the social security of private farmers by creating more stable conditions for private farmers to earn income on the basis of self-employment and through social support. The congress advocates that private farmers, through their cooperative organizations and organizations of cooperators, join the other working people in the coming period, on the basis of higher production and income, to achieving for themselves the socioeconomic status envisaged by the constitution and the Law on Associated Labor, as well as to improving total life as a whole.

An essential prerequisite for the stable development of food production and supply of the market is establishment of self-management linkage of production and distribution and establishment of direct links between producers and the self-managed organizations of consumers; cooperatives and cooperative alliances, communities of interest for supply and communities for planned mutual business cooperation have an important role in this.

The more effective impact of incentives adopted in development and current economic policy should contribute to achievement of these goals and performance of these tasks.

iv. The policy calling for the faster development of the economically underdeveloped republics and the fastest development of SAP (Socialist Autonomous Province) Kosovo is an essential condition for the faster and more harmonious development of the country as a whole and for achievement of the equality of the nationalities and ethnic minorities and of the republics and provinces. The self-managed pooling of labor and capital and, within that framework, of the agreed portion of the funds of the Federal Fund for Faster Development of the Economically Underdeveloped Republics and SAP Kosovo, presupposes greater responsibility of all entities in establishing and carrying out joint development plans and should make for more optimum division of labor, a change in the production structure, higher employment and closer economic and technological collaboration on the unified Yugoslav market.

The federation, the republics and the provinces should in their own social plans and economic policy measures encourage achievement of that goal.

The congress stresses that implementation of the policy of the fastest development of SAP Kosovo requires maximum efforts on the working people of Kosovo and special concern on the part of the entire Yugoslav community. This depends decisively on augmenting production and raising economic efficiency on the material and other bases which have already been created, along with a decisive change of direction in the development orientation of SAP Kosovo toward development of those activities which will afford a greater number of new jobs and higher income relative to the funds being invested in them. An essential

element of development policy should be technological and business collaboration on the business of pooling labor and capital with organizations of associated labor from other regions of the country. The incentive measures set forth in the Yugoslav Social Plan for the Period From 1981 to 1985 and in the special agreement to stimulate the fastest development of SAP Kosovo need to be consistently realized and applied; they will create more favorable material and social conditions for implementation of that policy.

3. The congress points out that broader opportunities need to be created for productive employment in the economy and social services. This is an essential element of development strategy and of the workers' socioeconomic position and social security. It is the obligation and responsibility of all workers to create conditions for a faster rise of employment, especially through the hiring of young people with specialized training and workers returning from temporary employment abroad, as well as for equipping persons who are not altogether able to work so that they can find appropriate employment. To that end conditions should also be created for greater mobility of workers over the entire territory of the country.

The faster rise of employment should be achieved through better utilization of existing capacities and by operation in several shifts wherever this is economically justifiable, by reducing supplemental and overtime work, and by retiring people who qualify for pensions.

The congress emphasizes that it is indispensable to creating the conditions for more productive employment that transformation of the educational system be carried out more rapidly so as to eliminate the important differences between the pattern of education young people are receiving and the needs of associated labor and society as a whole. There needs to be firmer and continuous linkage among organizations of associated labor, self-managed communities of interest for employment security and organizations for training and education so that the problems of unemployment can be solved more effectively.

By placing a higher material and social value on productive labor and through other measures young people should be encouraged to choose occupations short of manpower and incentives should be given for unemployed workers to go through retraining and become more mobile.

It is especially important to faster and more effective reduction of the very marked unemployment in the economically underdeveloped regions, as indeed throughout the country, to establish and carry out a development policy which will facilitate considerably higher employment and higher income. It is very important in this respect to channel more funds earmarked for construction of production capacity into regions with a higher level of unemployment and to establish linkage in associated labor between the advanced and underdeveloped regions.

There is a need for a determined, well-organized and unremitting public campaign against all adverse phenomena and tendencies in hiring, such as: closing off a segment of associated labor to the hiring of new personnel, above all trained

young people; a lag in the planning of personnel; failure to respect the agreed priorities in hiring; the rigging of competitions for job vacancies and resistance to the hiring of trainees and women; the use of kinship and other connections in obtaining jobs; and withholding of the rights of workers working for self-employed persons as well as seasonal workers.

The development of small business should be oriented toward long-term cooperation and business and technical collaboration with larger industrial and commercial organizations as well as toward the manufacture of products in small lots, production based on the use of secondary and local raw materials, the production of nonstandard products and products to order, and the development and better geographic location of service facilities.

Investments of the capital of private individuals, especially workers returning from abroad, should be oriented through the activity of local communities and opétinas and economic policy measures toward the opening up of new capacities and modernization and expansion of existing ones in the small business sector, toward the opening of craft and trade and other service establishments, toward development of contract organizations of associated labor, toward the pooling of the labor and capital of individuals within the framework of craft and trade and other cooperatives and the organization of various forms of cooperation and other types of business collaboration with associated labor.

The congress supports the willingness of our workers temporarily employed abroad to make their contribution to achievement of economic stabilization and advocates the creation of the socioeconomic conditions for their gradual and continuous return and employment in this country.

4. The present situation in the housing industry is not satisfactory. It is indispensable to create the necessary material and other conditions for more optimum and faster construction of housing. It is especially important to encourage greater commitment of the personal funds of the working people and citizens and the pooling of such funds with public funds to solve housing problems through economic and other measures, above all through credit, fiscal, urban planning and land policy, as well as by developing housing cooperatives. One of the important tasks in this respect is to create economically sound relations in the use and maintenance of the existing housing stock. By gradually raising rents the funds should be obtained for the depreciation and maintenance of housing units. Changes in rents must be made in the context of a policy of rent subsidies for workers who have low income per member of the family. Self-management accords and social compacts should set forth the criteria governing distribution of housing and credit for construction of dwelling units owned by the workers so as to eliminate irregularities in this sector.

There must be guarantees that decisions on housing construction policy and concerning resources pooled for that purpose are made on a self-management basis, i.e., that they are made by those who pool those resources, and that together with tenants they make the decisions on maintaining the existing housing stock. The congress also calls attention to the need for construction of housing and of materials and equipment for housing construction to be given appropriate priority

in the development plans of organizations of associated labor, opstines, the provinces and the republics and for improved functioning of communities of interest for housing.

5. Concentration of the population in large cities and industrial centers has resulted in high costs of urban development which are difficult for the economy in those centers to support. At the same time entire regions of the country have not had the necessary economic, social and urban development, and this has intensified even more the population pressure on the cities and the exodus from rural areas and agriculture. The congress advocates slowing down the growth of the urban population, especially in the large cities, and a better-rounded economic, social and municipal development of villages and mixed settlements.

6. The congress stresses that in conformity with the SPHY Constitution and the programmatic commitments of the LCV there is a need to further strengthen and develop appropriate forms of socialist solidarity and reciprocity. In view of the present economic difficulties, which necessitate important efforts of the working class to overcome them and a very prolonged adaptation of associated labor to the more difficult conditions of business operation, the congress advocates the following:

i. enforcement of the principle of solidarity when certain segments of the working class find themselves for objective reasons in economic difficulties, opposing at the same time tendencies which appeal to solidarity in covering incompetent and irresponsible work, business operation and mistakes in investment and other business decisions;

ii. self-management agreements to protect the minimum personal and family standard of living for workers with low personal and family income and accordingly a guaranteed minimum personal income. Minimum levels of satisfaction of particular community needs should also be agreed on;

iii. undertaking of steps to reduce and eliminate differences in social welfare which are not the result of the work and creativity of the working people and citizens. Fiscal policy and also consistent and vigorous involvement of tax authorities and other agencies should guarantee taxation of income which has not so far been recorded and which represents a source of unjustified enrichment;

iv. assurance of broader social solidarity in more uniform distribution of the costs of performance of the function of childbearing and child development;

v. faster completion and improvement of the system of old-age and disability insurance on the principles of solidarity, reciprocity and past labor, in line with overall material and social development;

vi. the undertaking of specific and effective steps to ensure enforcement of workplace health and safety standards to eliminate and prevent causes of disability and also steps toward occupational rehabilitation and the training of the handicapped.

The Third Congress of Self-Managers of Yugoslavia appeals to the working class and all the working people and citizens in our country, all self-managed organizations and communities, delegations, delegates and delegate assemblies, and all the organized forces of socialist consciousness and action out of a conviction that the positions and resolves of the congress, together with the fundamental commitments of the League of Communists of Yugoslavia and our society, constitute the basis for the broadest action of the working class and working people, of their self-managed organizations and communities, sociopolitical organizations and other public organizations and bodies and agencies of sociopolitical communities in performing the tasks and solving the problems our society faces today.

There is a particular need for this kind of action because no change can be expected in the present relations nor any solution of socioeconomic problems through haphazard development or merely by setting goals. Even in the past socialist self-management has been developing and expanding the limits of its activity through the struggle and unremitting conscious activity of the working class and all the working people led by its vanguard--the League of Communists of Yugoslavia.

Independent, nonaligned, socialist, self-managed and federal Yugoslavia has achieved very important material and social results. Thanks to its achievements in its dynamic material development and thanks to the debts of revolutionary transformation in social relations, it has earned a distinguished place in the world. Today we have a modern, skilled and educated working class aware that every day it is more and more becoming the master of its own labor and life, without intermediation of the government or any other alienated social force. We have working people who are free and gifted creators of all our country's material and nonmaterial goods. We have a united front of the organized socialist forces led by the League of Communists of Yugoslavia, Tito's rich revolutionary deeds and experiences in open critical examination of all problems and in finding practical opportunities for overcoming them. We have nationalities and ethnic minorities which are free, equal and fraternal, bound together by a common destiny and the same historic interests. We have up-to-date material productive forces and a technology and science capable of being society's productive force. We have modern industrial capacities which contain an enormous potential and capability for producing quality products with high productivity.

Our greatest and still unutilized reserves and our greatest strength lie in the system of socialist self-management itself, an authentically democratic and thoroughly humanistic system, in its historic advantages over other social systems, in its ability, on the basis of the programmatic commitments and policy of the League of Communists of Yugoslavia and with the active commitment of all the other subjective forces of society, to develop the massive deliberate social and work initiative of the self-managers--the workers, the agricultural producers, the specialists, the organizers of production, the scientists and cultural workers and all the other creators--in their common noble task of building more stable conditions for an increasingly rich and ever freer life for the workingman.

Every attempt to tear down the revolutionary achievements of our working class, the fraternity, unity and equality of the nationalities and ethnic minorities of Yugoslavia and the independence, territorial integrity and inviolability of the borders of Yugoslavia shall encounter the most resolute response of the workers and working people of all the nationalities and ethnic minorities of Yugoslavia.

The counterrevolutionary activity of the hostile elements in Kosovo operating from the position of Albanian nationalism and irredentism provide still another warning of the need for a comprehensive action by all the organized socialist forces and all the working people to continue the development of socialist self-management, to strengthen the manifold relations between the workers and the working people, to strengthen class unity and to develop relations among the nationalities on the basis of full equality, and to achieve linkage and unity of all the progressive forces of our society.

Nationalism is a reactionary ideology that constitutes a threat to the immediate and long-term interests of all the nationalities and ethnic minorities. It is retrograde, it nourishes separatist and unitaristic-centralistic tendencies, it holds back the shaping of the consciousness of socialist self-management, it shatters the unity of the working class and it closes off the prospects of socialism. That is why the struggle against nationalism and its roots and advocates, above all within each respective nationality, is a constant and imperative need of the progressive forces of all the nationalities and ethnic minorities of our country.

The working class of Yugoslavia, with the kind of material base which it has created and with the position which it has in society, led by the League of Communists and with the full-fledged commitment of the working people and citizens in the Socialist Alliance of Working People, the Federation of Trade Unions, the League of Veterans and the Socialist Youth League and all other forms of organized social action, has all the conditions and potential for developing socialist self-management, for strengthening the brotherhood and unity of the nationalities and ethnic minorities, for the national equality and responsibility of the republics and provinces both for their own development and also for the manifold progress of the Yugoslav community.

Through the broadest social action by all the entities in society, led by the League of Communists, in implementing the positions and resolves which have been adopted in this congress, a strong new breakthrough will be achieved in the direction of a further strengthening of socialist self-management, the democratic freedoms and rights of the working people of our country and the country's comprehensive progress. Delegates at the congress assume a particular obligation to be the initiators of the action to carry out its decisions.

The congress expresses the deep conviction that the League of Communists, in its upcoming congresses and conferences, and especially at the 12th LCY Congress, safeguarding pursuit of the immediate and long-term interests of the working class and all the working people and of our country's nationalities and ethnic minorities, will open up still more widely the prospects of the struggle for socialism and socialist self-management.

The Third Congress of Self-Managers of Yugoslavia is still another strong expression of the unity of our working class and of its vanguard--the League of Communists of Yugoslavia. Just as the messages of this congress delivered by the workers and working people of our country organized through self-management constitute a strong foundation for the further action of the League of Communists of Yugoslavia, so the views and resolves of the 12th LCY Congress and the action program which it will adopt, that supreme working agreement of Yugoslav communists, will once again be taken up by our working class and all the working people and citizens as a guidepost in our struggle to emancipate labor and man in the historical continuity of performing the deeds and instructions bequeathed to us by Comrade Tito.

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